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|-----------------------------|---|------------------------|--------------|
| <b>State:</b>               | Pennsylvania  | <b>Filing Company:</b> | Highmark Inc |
| <b>TOI/Sub-TOI:</b>         | LTC03I Individual Long Term Care/LTC03I.001 Qualified   |                        |              |
| <b>Product Name:</b>        | Long-Term Care  |                        |              |
| <b>Project Name/Number:</b> | MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07 |                        |              |

## Filing at a Glance

|  |   |
|--|---|
| Company:   | Highmark Inc  |
| Product Name:  | Long-Term Care  |
| State:   | Pennsylvania  |
| TOI:   | LTC03I Individual Long Term Care  |
| Sub-TOI:   | LTC03I.001 Qualified  |
| Filing Type:   | Rate - Other (Not M.U. or G.I. Product)   |
| Date Submitted:  | 08/21/2018  |
| SERFF Tr Num:  | MILL-131545017  |
| SERFF Status:  | Assigned  |
| State Tr Num:  | MILL-131545017  |
| State Status:  | Received Review in Progress   |
| Co Tr Num:   | SIMPLICITY (HIGHMARK BS)  |
| Implementation   | On Approval   |
| Date Requested:  |   |
| Author(s):   | Missy Gordon, Courtney Williamson, Travis Reisch, Shawn Stender, Michael Emmert, Bryan Rask, Alex Moore, Brandon Johnson, Jack Bridges, Dexter Mosley, Cassi Noel, Megan Anderson, Peder Swenson, Derek Lesniak, Yi Shao, Matt Mickolich, Rylee Sevigny |
| Reviewer(s):   | Jim Lavery (primary)  |
| Disposition Date:  |   |
| Disposition Status:  |   |
| Implementation Date:   |   |
| State Filing Description:  |   |
| Proposed 52.0% increase on 361 PA policyholders of LTC forms SPL-336-HMBSPA and FSPL-336-HMBSPA. |   |

|                             |   |                        |              |
|-----------------------------|---|------------------------|--------------|
| <b>State:</b>               | Pennsylvania  | <b>Filing Company:</b> | Highmark Inc |
| <b>TOI/Sub-TOI:</b>         | LTC03I Individual Long Term Care/LTC03I.001 Qualified   |                        |              |
| <b>Product Name:</b>        | Long-Term Care  |                        |              |
| <b>Project Name/Number:</b> | MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07 |                        |              |

## General Information

|  |  |
|--|--|
| Project Name: MedAmerica Nationwide 2018 Rate Increase | Status of Filing in Domicile: Pending                            |
| Project Number: 145MAI01-60.07                         | Date Approved in Domicile:                                       |
| Requested Filing Mode: Review & Approval               | Domicile Status Comments: Pennsylvania is the state of domicile. |
| Explanation for Combination/Other:                     | Market Type: Individual  |
| Submission Type: New Submission                        | Individual Market Type:  |
| Overall Rate Impact: 52%                               | Filing Status Changed: 08/22/2018                                |
|  | State Status Changed: 08/22/2018                                 |
| Deemer Date:   | Created By: Derek Lesniak  |
| Submitted By: Michael Emmert                           | Corresponding Filing Tracking Number:                            |
|  | State TOI: LTC03I Individual Long Term Care                      |

### Filing Description:

On behalf of the company, we are submitting the referenced rate filing for your review. This is an existing individual product that provides long-term care coverage. The company issued this product in Pennsylvania from August 1, 2006 to April 1, 2010 and is no longer marketing it in any jurisdiction.

The company is requesting a premium rate increase on these form(s), including all associated riders. The need for a premium rate increase is due to emerging and projected experience running more adverse than previously expected.

These products were designed and priced by MedAmerica Insurance Company (MedAmerica), which is an affinity partner. The products were issued on Highmark Blue Shield (Highmark BS) paper, while MedAmerica administers and manages the block, including underwriting and claims handling. MedAmerica has 80% of the risk on these products via a reinsurance arrangement with Highmark BS.

Additionally, MedAmerica is making a similar request in a concurrent filing. These filings use identical pooled nationwide experience of MedAmerica and its affinity partners as described in the enclosed actuarial memorandum.

The company is requesting a premium rate increase that varies by issue age and inflation option to achieve the cumulative rate increases shown in Section 1 of the enclosed actuarial memorandum. The rate increase varies by issue age and inflation option to better align the rate increase with the adverse experience. The enclosed cover letter provides the average prior, requested, and cumulative rate increases by issue age and inflation option for these form(s).

The prior increase reflects the cumulative increase of five prior increase(s) that were filed for use in June 2013, September 2014, July 2015, September 2016, and September 2017. The company is seeking this rate increase request to help alleviate the adverse performance on this block of business.

Similar to the prior increase(s), the company will offer insureds affected by the premium increase the option of reducing their policy benefits to provide flexibility of choice for those insureds who wish to maintain a premium level reasonably similar to what they were paying prior to the rate increase. The company will offer a contingent benefit upon lapse to insureds that trigger a substantial rate increase. Additionally, the company will voluntarily offer a contingent benefit upon lapse to insureds affected by the rate increase, even if the increase is not considered substantial. If the cumulative requested rate increase is filed for use, a majority of policyholders will be eligible for a contingent benefit upon lapse.

To comply with rate stability regulation in this jurisdiction, enclosed with this filing is a plan, subject to the Department's review,

**State:** Pennsylvania **Filing Company:** Highmark Inc  
**TOI/Sub-TOI:** LTC03I Individual Long Term Care/LTC03I.001 Qualified  
**Product Name:** Long-Term Care  
**Project Name/Number:** MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07

which demonstrates that appropriate administration and claims processing procedures are in effect.

## Company and Contact

### Filing Contact Information

Michael Emmert, Associate Actuary      michael.emmert@milliman.com  
8500 Normandale Lake Blvd.      952-820-3116 [Phone]  
Suite 1850  
Minneapolis, MN 55437

### Filing Company Information

(This filing was made by a third party - millimaninc)

|                             |                          |                    |
|-----------------------------|--------------------------|--------------------|
| Highmark Inc                | CoCode: 54771            | State of Domicile: |
| 120 Fifth Avenue            | Group Code: 812          | Pennsylvania       |
| Suite 924                   | Group Name: Highmark Grp | Company Type:      |
| Pittsburgh, PA 15222-3024   | FEIN Number: 23-1294723  | State ID Number:   |
| (412) 544-6902 ext. [Phone] |                          |                    |

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## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:

|                             |   |                          |                |                            |                          |
|-----------------------------|---|--------------------------|----------------|----------------------------|--------------------------|
| <b>SERFF Tracking #:</b>    | MILL-131545017  | <b>State Tracking #:</b> | MILL-131545017 | <b>Company Tracking #:</b> | SIMPLICITY (HIGHMARK BS) |
| <b>State:</b>               | Pennsylvania  | <b>Filing Company:</b>   | Highmark Inc   |                            |                          |
| <b>TOI/Sub-TOI:</b>         | LTC03I Individual Long Term Care/LTC03I.001 Qualified   |                          |                |                            |                          |
| <b>Product Name:</b>        | Long-Term Care  |                          |                |                            |                          |
| <b>Project Name/Number:</b> | MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07 |                          |                |                            |                          |

## Rate Information

Rate data applies to filing.

|  |                     |
|--|---------------------|
| <b>Filing Method:</b>                            | Review and Approval |
| <b>Rate Change Type:</b>                         | Increase            |
| <b>Overall Percentage of Last Rate Revision:</b> | 20.000%             |
| <b>Effective Date of Last Rate Revision:</b>     | 09/19/2017          |
| <b>Filing Method of Last Filing:</b>             | Review and Approval |
| <b>SERFF Tracking Number of Last Filing:</b>     | MILL-130951723      |

## Company Rate Information

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | Number of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where req'd): | Minimum % Change (where req'd): |
|---------------|-----------------------------|------------------------|--|---|-----------------------------------|---------------------------------|---------------------------------|
| Highmark Inc  | 52.000%                     | 52.000%                | \$461,582                                | 361   | \$886,885                         | 63.000%                         | 12.000%                         |

|                             |   |                        |              |
|-----------------------------|---|------------------------|--------------|
| <b>State:</b>               | Pennsylvania  | <b>Filing Company:</b> | Highmark Inc |
| <b>TOI/Sub-TOI:</b>         | LTC03I Individual Long Term Care/LTC03I.001 Qualified   |                        |              |
| <b>Product Name:</b>        | Long-Term Care  |                        |              |
| <b>Project Name/Number:</b> | MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07 |                        |              |

## Rate/Rule Schedule

| Item No. | Schedule Item Status | Document Name | Affected Form Numbers (Separated with commas) | Rate Action | Rate Action Information   | Attachments   |
|----------|----------------------|---------------|---|-------------|---|---|
| 1        |                      | Rate Tables   | SPL-336-HMBSPA, FSPL-336-HMBSPA               | Revised     | Previous State Filing Number: MILL-130951723<br>Percent Rate Change Request: 52 | PA_Highmark Blue Shield_Current Premium Rates_20180815.pdf, PA_Highmark Blue Shield_Proposed Simplicity Premium Rates_20180815.pdf, |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP-HMBSPA**  
**Indexing: Compound - No Maximum**  
**Individual Underwriting**  
**Rate Class II**

| Issue<br>Age | Premium Rates    |                  |                  |                  |                  |                   |
|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|              | 24 Month<br>Plan | 36 Month<br>Plan | 48 Month<br>Plan | 60 Month<br>Plan | 84 Month<br>Plan | Unlimited<br>Plan |
| 18-29        | 67.00            | 90.00            | 108.00           | 127.00           | 150.00           | 209.00            |
| 30           | 71.00            | 94.00            | 115.00           | 131.00           | 156.00           | 219.00            |
| 31           | 71.00            | 99.00            | 117.00           | 133.00           | 161.00           | 225.00            |
| 32           | 74.00            | 99.00            | 122.00           | 136.00           | 166.00           | 230.00            |
| 33           | 76.00            | 104.00           | 124.00           | 143.00           | 170.00           | 237.00            |
| 34           | 78.00            | 106.00           | 127.00           | 147.00           | 175.00           | 248.00            |
| 35           | 81.00            | 108.00           | 133.00           | 152.00           | 179.00           | 253.00            |
| 36           | 83.00            | 113.00           | 136.00           | 156.00           | 186.00           | 260.00            |
| 37           | 85.00            | 115.00           | 138.00           | 161.00           | 191.00           | 269.00            |
| 38           | 87.00            | 117.00           | 145.00           | 166.00           | 198.00           | 274.00            |
| 39           | 90.00            | 120.00           | 150.00           | 170.00           | 200.00           | 281.00            |
| 40           | 90.00            | 124.00           | 151.00           | 171.00           | 203.00           | 284.00            |
| 41           | 92.00            | 126.00           | 155.00           | 176.00           | 205.00           | 293.00            |
| 42           | 95.00            | 131.00           | 160.00           | 180.00           | 212.00           | 299.00            |
| 43           | 97.00            | 133.00           | 162.00           | 187.00           | 218.00           | 308.00            |
| 44           | 101.00           | 137.00           | 169.00           | 189.00           | 225.00           | 317.00            |
| 45           | 102.00           | 136.00           | 162.00           | 186.00           | 222.00           | 315.00            |
| 46           | 104.00           | 140.00           | 168.00           | 192.00           | 229.00           | 324.00            |
| 47           | 104.00           | 145.00           | 173.00           | 197.00           | 235.00           | 333.00            |
| 48           | 108.00           | 145.00           | 177.00           | 203.00           | 242.00           | 341.00            |
| 49           | 110.00           | 151.00           | 181.00           | 210.00           | 248.00           | 350.00            |
| 50           | 109.00           | 149.00           | 181.00           | 208.00           | 248.00           | 349.00            |
| 51           | 116.00           | 153.00           | 189.00           | 216.00           | 256.00           | 361.00            |
| 52           | 116.00           | 158.00           | 193.00           | 221.00           | 263.00           | 372.00            |
| 53           | 120.00           | 162.00           | 197.00           | 227.00           | 273.00           | 382.00            |
| 54           | 122.00           | 166.00           | 204.00           | 231.00           | 279.00           | 391.00            |
| 55           | 121.00           | 163.00           | 203.00           | 231.00           | 277.00           | 386.00            |
| 56           | 123.00           | 167.00           | 203.00           | 231.00           | 277.00           | 392.00            |
| 57           | 125.00           | 169.00           | 207.00           | 237.00           | 285.00           | 404.00            |
| 58           | 129.00           | 175.00           | 215.00           | 245.00           | 293.00           | 414.00            |
| 59           | 131.00           | 179.00           | 219.00           | 251.00           | 300.00           | 426.00            |
| 60           | 132.00           | 179.00           | 218.00           | 251.00           | 299.00           | 426.00            |
| 61           | 138.00           | 186.00           | 229.00           | 262.00           | 314.00           | 445.00            |
| 62           | 143.00           | 195.00           | 238.00           | 275.00           | 329.00           | 465.00            |
| 63           | 149.00           | 203.00           | 249.00           | 286.00           | 342.00           | 485.00            |
| 64           | 154.00           | 212.00           | 259.00           | 296.00           | 357.00           | 506.00            |
| 65           | 147.00           | 202.00           | 251.00           | 287.00           | 346.00           | 495.00            |
| 66           | 154.00           | 211.00           | 260.00           | 298.00           | 360.00           | 517.00            |
| 67           | 159.00           | 220.00           | 268.00           | 310.00           | 374.00           | 538.00            |
| 68           | 164.00           | 225.00           | 279.00           | 320.00           | 389.00           | 559.00            |
| 69           | 168.00           | 232.00           | 289.00           | 332.00           | 403.00           | 583.00            |
| 70           | 163.00           | 225.00           | 279.00           | 323.00           | 393.00           | 571.00            |
| 71           | 168.00           | 233.00           | 287.00           | 334.00           | 406.00           | 593.00            |
| 72           | 171.00           | 238.00           | 295.00           | 344.00           | 421.00           | 615.00            |
| 73           | 174.00           | 243.00           | 302.00           | 354.00           | 432.00           | 636.00            |
| 74           | 176.00           | 248.00           | 310.00           | 360.00           | 445.00           | 657.00            |
| 75           | 181.00           | 258.00           | 324.00           | 382.00           | 475.00           | 720.00            |
| 76           | 183.00           | 259.00           | 327.00           | 386.00           | 484.00           | 739.00            |
| 77           | 181.00           | 261.00           | 330.00           | 390.00           | 492.00           | 756.00            |
| 78           | 181.00           | 261.00           | 331.00           | 393.00           | 498.00           | 775.00            |
| 79           | 180.00           | 259.00           | 331.00           | 395.00           | 504.00           | 789.00            |
| 80           | 179.00           | 261.00           | 336.00           | 403.00           | N/A              | N/A               |
| 81           | 176.00           | 256.00           | 334.00           | 402.00           | N/A              | N/A               |
| 82           | 170.00           | 251.00           | 328.00           | 396.00           | N/A              | N/A               |
| 83           | 163.00           | 243.00           | 320.00           | 392.00           | N/A              | N/A               |
| 84           | 154.00           | 232.00           | 310.00           | 380.00           | N/A              | N/A               |
| 85           | 147.00           | 228.00           | 310.00           | 387.00           | N/A              | N/A               |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

Integrated Plan HHC at 80%  
Lifetime Payment Plan  
90 day Elimination Period  
Married one insured rates

Form Number: CMP2X-HMBSPA  
Indexing: Compound 2X  
Individual Underwriting  
Rate Class II

| Issue<br>Age | Premium Rates    |                  |                  |                  |                  |                   |
|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|              | 24 Month<br>Plan | 36 Month<br>Plan | 48 Month<br>Plan | 60 Month<br>Plan | 84 Month<br>Plan | Unlimited<br>Plan |
| 18-29        | 7.00             | 7.00             | 9.00             | 14.00            | 16.00            | 25.00             |
| 30           | 7.00             | 9.00             | 12.00            | 14.00            | 16.00            | 25.00             |
| 31           | 7.00             | 12.00            | 12.00            | 14.00            | 16.00            | 28.00             |
| 32           | 7.00             | 12.00            | 14.00            | 14.00            | 18.00            | 30.00             |
| 33           | 7.00             | 12.00            | 14.00            | 16.00            | 21.00            | 30.00             |
| 34           | 9.00             | 12.00            | 14.00            | 18.00            | 23.00            | 35.00             |
| 35           | 12.00            | 12.00            | 16.00            | 18.00            | 25.00            | 35.00             |
| 36           | 9.00             | 14.00            | 18.00            | 18.00            | 28.00            | 37.00             |
| 37           | 12.00            | 16.00            | 18.00            | 23.00            | 28.00            | 41.00             |
| 38           | 12.00            | 16.00            | 23.00            | 25.00            | 30.00            | 39.00             |
| 39           | 12.00            | 16.00            | 23.00            | 28.00            | 32.00            | 41.00             |
| 40           | 14.00            | 20.00            | 25.00            | 29.00            | 34.00            | 45.00             |
| 41           | 14.00            | 23.00            | 27.00            | 32.00            | 32.00            | 50.00             |
| 42           | 16.00            | 25.00            | 29.00            | 32.00            | 36.00            | 52.00             |
| 43           | 16.00            | 25.00            | 29.00            | 36.00            | 38.00            | 56.00             |
| 44           | 20.00            | 27.00            | 34.00            | 34.00            | 41.00            | 59.00             |
| 45           | 22.00            | 28.00            | 30.00            | 35.00            | 43.00            | 63.00             |
| 46           | 24.00            | 30.00            | 35.00            | 39.00            | 45.00            | 67.00             |
| 47           | 24.00            | 32.00            | 37.00            | 43.00            | 50.00            | 73.00             |
| 48           | 26.00            | 30.00            | 39.00            | 43.00            | 54.00            | 80.00             |
| 49           | 28.00            | 35.00            | 43.00            | 48.00            | 56.00            | 84.00             |
| 50           | 27.00            | 38.00            | 44.00            | 50.00            | 59.00            | 88.00             |
| 51           | 32.00            | 40.00            | 48.00            | 55.00            | 67.00            | 95.00             |
| 52           | 32.00            | 42.00            | 50.00            | 57.00            | 71.00            | 101.00            |
| 53           | 34.00            | 46.00            | 55.00            | 65.00            | 78.00            | 109.00            |
| 54           | 36.00            | 48.00            | 59.00            | 69.00            | 84.00            | 118.00            |
| 55           | 38.00            | 50.00            | 64.00            | 74.00            | 86.00            | 121.00            |
| 56           | 42.00            | 56.00            | 68.00            | 76.00            | 90.00            | 129.00            |
| 57           | 44.00            | 58.00            | 72.00            | 82.00            | 96.00            | 137.00            |
| 58           | 48.00            | 64.00            | 78.00            | 88.00            | 103.00           | 147.00            |
| 59           | 52.00            | 68.00            | 82.00            | 94.00            | 113.00           | 159.00            |
| 60           | 54.00            | 71.00            | 86.00            | 99.00            | 117.00           | 166.00            |
| 61           | 58.00            | 78.00            | 95.00            | 108.00           | 128.00           | 182.00            |
| 62           | 63.00            | 87.00            | 104.00           | 119.00           | 141.00           | 199.00            |
| 63           | 71.00            | 93.00            | 115.00           | 130.00           | 154.00           | 218.00            |
| 64           | 76.00            | 104.00           | 125.00           | 141.00           | 169.00           | 238.00            |
| 65           | 76.00            | 106.00           | 128.00           | 147.00           | 175.00           | 251.00            |
| 66           | 85.00            | 114.00           | 140.00           | 159.00           | 190.00           | 275.00            |
| 67           | 90.00            | 125.00           | 151.00           | 173.00           | 208.00           | 301.00            |
| 68           | 99.00            | 133.00           | 164.00           | 187.00           | 227.00           | 329.00            |
| 69           | 104.00           | 144.00           | 178.00           | 204.00           | 246.00           | 358.00            |
| 70           | 106.00           | 145.00           | 179.00           | 207.00           | 249.00           | 368.00            |
| 71           | 114.00           | 156.00           | 192.00           | 223.00           | 271.00           | 399.00            |
| 72           | 121.00           | 166.00           | 205.00           | 240.00           | 292.00           | 432.00            |
| 73           | 127.00           | 178.00           | 220.00           | 256.00           | 313.00           | 466.00            |
| 74           | 135.00           | 187.00           | 233.00           | 272.00           | 334.00           | 500.00            |
| 75           | 144.00           | 203.00           | 255.00           | 300.00           | 373.00           | 573.00            |
| 76           | 150.00           | 212.00           | 266.00           | 314.00           | 393.00           | 609.00            |
| 77           | 154.00           | 220.00           | 278.00           | 327.00           | 413.00           | 644.00            |
| 78           | 158.00           | 226.00           | 287.00           | 340.00           | 431.00           | 678.00            |
| 79           | 160.00           | 230.00           | 295.00           | 350.00           | 448.00           | 710.00            |
| 80           | 163.00           | 236.00           | 305.00           | 367.00           | N/A              | N/A               |
| 81           | 163.00           | 238.00           | 310.00           | 372.00           | N/A              | N/A               |
| 82           | 160.00           | 238.00           | 310.00           | 374.00           | N/A              | N/A               |
| 83           | 156.00           | 232.00           | 307.00           | 374.00           | N/A              | N/A               |
| 84           | 150.00           | 225.00           | 301.00           | 369.00           | N/A              | N/A               |
| 85           | 144.00           | 223.00           | 302.00           | 379.00           | N/A              | N/A               |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: SBIR-HMBSPA**  
**Indexing: Simple**  
**Individual Underwriting**  
**Rate Class II**

| Issue<br>Age | Premium Rates    |                  |                  |                  |                  |                   |
|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|              | 24 Month<br>Plan | 36 Month<br>Plan | 48 Month<br>Plan | 60 Month<br>Plan | 84 Month<br>Plan | Unlimited<br>Plan |
| 18-29        | 14.00            | 21.00            | 25.00            | 32.00            | 41.00            | 62.00             |
| 30           | 16.00            | 23.00            | 28.00            | 35.00            | 41.00            | 64.00             |
| 31           | 16.00            | 25.00            | 30.00            | 37.00            | 44.00            | 67.00             |
| 32           | 18.00            | 25.00            | 35.00            | 37.00            | 48.00            | 71.00             |
| 33           | 18.00            | 28.00            | 35.00            | 41.00            | 48.00            | 76.00             |
| 34           | 21.00            | 28.00            | 37.00            | 44.00            | 53.00            | 81.00             |
| 35           | 23.00            | 28.00            | 39.00            | 44.00            | 55.00            | 83.00             |
| 36           | 23.00            | 35.00            | 41.00            | 46.00            | 58.00            | 87.00             |
| 37           | 25.00            | 35.00            | 44.00            | 48.00            | 60.00            | 92.00             |
| 38           | 25.00            | 37.00            | 46.00            | 53.00            | 64.00            | 94.00             |
| 39           | 25.00            | 39.00            | 48.00            | 55.00            | 67.00            | 99.00             |
| 40           | 27.00            | 41.00            | 50.00            | 56.00            | 70.00            | 106.00            |
| 41           | 32.00            | 43.00            | 52.00            | 61.00            | 70.00            | 110.00            |
| 42           | 32.00            | 45.00            | 56.00            | 63.00            | 74.00            | 117.00            |
| 43           | 34.00            | 45.00            | 56.00            | 68.00            | 79.00            | 124.00            |
| 44           | 38.00            | 50.00            | 61.00            | 68.00            | 81.00            | 128.00            |
| 45           | 37.00            | 50.00            | 58.00            | 67.00            | 82.00            | 132.00            |
| 46           | 39.00            | 54.00            | 63.00            | 73.00            | 91.00            | 138.00            |
| 47           | 39.00            | 56.00            | 67.00            | 78.00            | 95.00            | 145.00            |
| 48           | 43.00            | 54.00            | 69.00            | 80.00            | 99.00            | 151.00            |
| 49           | 45.00            | 60.00            | 73.00            | 86.00            | 104.00           | 160.00            |
| 50           | 44.00            | 61.00            | 74.00            | 88.00            | 107.00           | 164.00            |
| 51           | 48.00            | 65.00            | 78.00            | 95.00            | 113.00           | 172.00            |
| 52           | 48.00            | 67.00            | 84.00            | 97.00            | 120.00           | 181.00            |
| 53           | 50.00            | 71.00            | 88.00            | 103.00           | 126.00           | 189.00            |
| 54           | 53.00            | 74.00            | 95.00            | 107.00           | 132.00           | 197.00            |
| 55           | 54.00            | 76.00            | 96.00            | 109.00           | 135.00           | 203.00            |
| 56           | 58.00            | 78.00            | 98.00            | 111.00           | 137.00           | 209.00            |
| 57           | 60.00            | 82.00            | 101.00           | 117.00           | 143.00           | 219.00            |
| 58           | 62.00            | 86.00            | 107.00           | 123.00           | 151.00           | 229.00            |
| 59           | 66.00            | 90.00            | 111.00           | 129.00           | 159.00           | 241.00            |
| 60           | 67.00            | 91.00            | 113.00           | 132.00           | 162.00           | 244.00            |
| 61           | 71.00            | 99.00            | 121.00           | 141.00           | 173.00           | 260.00            |
| 62           | 74.00            | 106.00           | 128.00           | 151.00           | 184.00           | 279.00            |
| 63           | 80.00            | 110.00           | 138.00           | 160.00           | 195.00           | 296.00            |
| 64           | 86.00            | 119.00           | 145.00           | 169.00           | 208.00           | 312.00            |
| 65           | 83.00            | 116.00           | 145.00           | 170.00           | 208.00           | 315.00            |
| 66           | 88.00            | 123.00           | 154.00           | 178.00           | 220.00           | 334.00            |
| 67           | 93.00            | 130.00           | 163.00           | 189.00           | 234.00           | 355.00            |
| 68           | 99.00            | 137.00           | 171.00           | 199.00           | 247.00           | 375.00            |
| 69           | 102.00           | 144.00           | 180.00           | 211.00           | 260.00           | 398.00            |
| 70           | 101.00           | 142.00           | 178.00           | 209.00           | 258.00           | 398.00            |
| 71           | 106.00           | 148.00           | 186.00           | 220.00           | 272.00           | 421.00            |
| 72           | 109.00           | 155.00           | 194.00           | 230.00           | 287.00           | 442.00            |
| 73           | 112.00           | 160.00           | 202.00           | 240.00           | 300.00           | 465.00            |
| 74           | 116.00           | 166.00           | 210.00           | 249.00           | 313.00           | 487.00            |
| 75           | 122.00           | 176.00           | 225.00           | 269.00           | 343.00           | 547.00            |
| 76           | 124.00           | 180.00           | 230.00           | 276.00           | 354.00           | 570.00            |
| 77           | 125.00           | 183.00           | 236.00           | 282.00           | 366.00           | 593.00            |
| 78           | 127.00           | 186.00           | 240.00           | 289.00           | 374.00           | 615.00            |
| 79           | 127.00           | 187.00           | 243.00           | 294.00           | 386.00           | 636.00            |
| 80           | 128.00           | 190.00           | 249.00           | 305.00           | N/A              | N/A               |
| 81           | 125.00           | 189.00           | 251.00           | 307.00           | N/A              | N/A               |
| 82           | 122.00           | 187.00           | 249.00           | 307.00           | N/A              | N/A               |
| 83           | 118.00           | 181.00           | 246.00           | 305.00           | N/A              | N/A               |
| 84           | 114.00           | 174.00           | 240.00           | 300.00           | N/A              | N/A               |
| 85           | 107.00           | 171.00           | 240.00           | 308.00           | N/A              | N/A               |



**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

Integrated Plan HHC at 80%  
Lifetime Payment Plan  
90 day Elimination Period  
Married one insured rates

Indexing: None  
Individual Underwriting  
Rate Class II

| Issue Age | Premium Rates |               |               |               |               |                |
|-----------|---------------|---------------|---------------|---------------|---------------|----------------|
|           | 24 Month Plan | 36 Month Plan | 48 Month Plan | 60 Month Plan | 84 Month Plan | Unlimited Plan |
| 18-29     | 16.00         | 21.00         | 23.00         | 23.00         | 28.00         | 35.00          |
| 30        | 16.00         | 21.00         | 23.00         | 25.00         | 30.00         | 37.00          |
| 31        | 18.00         | 21.00         | 25.00         | 28.00         | 32.00         | 39.00          |
| 32        | 18.00         | 23.00         | 25.00         | 30.00         | 32.00         | 41.00          |
| 33        | 21.00         | 23.00         | 28.00         | 30.00         | 35.00         | 44.00          |
| 34        | 21.00         | 25.00         | 30.00         | 32.00         | 37.00         | 46.00          |
| 35        | 21.00         | 28.00         | 30.00         | 35.00         | 39.00         | 51.00          |
| 36        | 23.00         | 28.00         | 32.00         | 37.00         | 41.00         | 53.00          |
| 37        | 23.00         | 30.00         | 35.00         | 39.00         | 44.00         | 55.00          |
| 38        | 25.00         | 32.00         | 37.00         | 41.00         | 46.00         | 62.00          |
| 39        | 28.00         | 35.00         | 39.00         | 44.00         | 51.00         | 67.00          |
| 40        | 27.00         | 34.00         | 41.00         | 45.00         | 52.00         | 68.00          |
| 41        | 29.00         | 36.00         | 43.00         | 47.00         | 59.00         | 72.00          |
| 42        | 32.00         | 38.00         | 45.00         | 52.00         | 61.00         | 77.00          |
| 43        | 34.00         | 43.00         | 50.00         | 54.00         | 65.00         | 81.00          |
| 44        | 34.00         | 45.00         | 52.00         | 61.00         | 70.00         | 88.00          |
| 45        | 35.00         | 45.00         | 56.00         | 63.00         | 71.00         | 89.00          |
| 46        | 37.00         | 48.00         | 58.00         | 65.00         | 76.00         | 95.00          |
| 47        | 41.00         | 52.00         | 63.00         | 69.00         | 80.00         | 102.00         |
| 48        | 43.00         | 58.00         | 67.00         | 76.00         | 86.00         | 108.00         |
| 49        | 45.00         | 60.00         | 71.00         | 80.00         | 93.00         | 117.00         |
| 50        | 48.00         | 63.00         | 76.00         | 84.00         | 97.00         | 122.00         |
| 51        | 50.00         | 67.00         | 80.00         | 88.00         | 103.00        | 130.00         |
| 52        | 57.00         | 74.00         | 86.00         | 97.00         | 109.00        | 139.00         |
| 53        | 61.00         | 78.00         | 92.00         | 103.00        | 118.00        | 149.00         |
| 54        | 65.00         | 84.00         | 99.00         | 111.00        | 126.00        | 162.00         |
| 55        | 68.00         | 88.00         | 101.00        | 113.00        | 131.00        | 167.00         |
| 56        | 70.00         | 92.00         | 107.00        | 121.00        | 139.00        | 175.00         |
| 57        | 76.00         | 100.00        | 117.00        | 131.00        | 151.00        | 189.00         |
| 58        | 82.00         | 107.00        | 125.00        | 141.00        | 163.00        | 205.00         |
| 59        | 88.00         | 115.00        | 137.00        | 153.00        | 175.00        | 221.00         |
| 60        | 91.00         | 121.00        | 143.00        | 160.00        | 184.00        | 231.00         |
| 61        | 100.00        | 132.00        | 156.00        | 175.00        | 201.00        | 251.00         |
| 62        | 110.00        | 143.00        | 171.00        | 190.00        | 219.00        | 273.00         |
| 63        | 119.00        | 158.00        | 186.00        | 208.00        | 240.00        | 299.00         |
| 64        | 130.00        | 171.00        | 205.00        | 229.00        | 262.00        | 327.00         |
| 65        | 137.00        | 180.00        | 213.00        | 239.00        | 275.00        | 343.00         |
| 66        | 149.00        | 197.00        | 234.00        | 263.00        | 303.00        | 375.00         |
| 67        | 164.00        | 216.00        | 258.00        | 289.00        | 332.00        | 413.00         |
| 68        | 180.00        | 239.00        | 284.00        | 318.00        | 365.00        | 455.00         |
| 69        | 199.00        | 263.00        | 311.00        | 349.00        | 403.00        | 500.00         |
| 70        | 205.00        | 272.00        | 324.00        | 363.00        | 419.00        | 518.00         |
| 71        | 225.00        | 298.00        | 357.00        | 399.00        | 461.00        | 571.00         |
| 72        | 248.00        | 329.00        | 393.00        | 440.00        | 507.00        | 629.00         |
| 73        | 272.00        | 362.00        | 432.00        | 484.00        | 559.00        | 693.00         |
| 74        | 298.00        | 396.00        | 474.00        | 533.00        | 615.00        | 761.00         |
| 75        | 347.00        | 464.00        | 556.00        | 626.00        | 726.00        | 903.00         |
| 76        | 379.00        | 507.00        | 609.00        | 687.00        | 796.00        | 991.00         |
| 77        | 413.00        | 553.00        | 665.00        | 752.00        | 871.00        | 1,084.00       |
| 78        | 449.00        | 603.00        | 727.00        | 821.00        | 953.00        | 1,184.00       |
| 79        | 490.00        | 658.00        | 793.00        | 897.00        | 1,041.00      | 1,293.00       |
| 80        | 547.00        | 739.00        | 891.00        | 1,008.00      | N/A           | N/A            |
| 81        | 596.00        | 806.00        | 973.00        | 1,103.00      | N/A           | N/A            |
| 82        | 649.00        | 878.00        | 1,063.00      | 1,205.00      | N/A           | N/A            |
| 83        | 706.00        | 956.00        | 1,158.00      | 1,312.00      | N/A           | N/A            |
| 84        | 763.00        | 1,038.00      | 1,257.00      | 1,427.00      | N/A           | N/A            |
| 85        | 910.00        | 1,244.00      | 1,516.00      | 1,727.00      | N/A           | N/A            |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

Integrated Plan HHC at 80%  
Lifetime Payment Plan  
90 day Elimination Period  
Married one insured rates

Form Number: CMP-HMBSPA  
Indexing: Compound - No Maximum  
Individual Underwriting  
Rate Class II

| Issue<br>Age | Premium Rates    |                  |                  |                  |                  |                   |
|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|              | 24 Month<br>Plan | 36 Month<br>Plan | 48 Month<br>Plan | 60 Month<br>Plan | 84 Month<br>Plan | Unlimited<br>Plan |
| 18-29        | 60.00            | 80.70            | 97.30            | 113.90           | 134.60           | 188.40            |
| 30           | 64.20            | 84.90            | 103.50           | 118.00           | 140.80           | 196.70            |
| 31           | 64.20            | 89.00            | 105.60           | 120.10           | 144.90           | 202.90            |
| 32           | 66.20            | 89.00            | 109.70           | 122.10           | 149.00           | 207.00            |
| 33           | 68.30            | 93.20            | 111.80           | 128.30           | 153.20           | 213.20            |
| 34           | 70.40            | 95.20            | 113.90           | 132.50           | 157.30           | 223.60            |
| 35           | 72.50            | 97.30            | 120.10           | 136.60           | 161.50           | 227.70            |
| 36           | 74.50            | 101.40           | 122.10           | 140.80           | 167.70           | 233.90            |
| 37           | 76.60            | 103.50           | 124.20           | 144.90           | 171.80           | 242.20            |
| 38           | 78.70            | 105.60           | 130.40           | 149.00           | 178.00           | 246.30            |
| 39           | 80.70            | 107.60           | 134.60           | 153.20           | 180.10           | 252.50            |
| 40           | 81.00            | 111.40           | 135.70           | 153.90           | 182.30           | 255.20            |
| 41           | 83.00            | 113.40           | 139.70           | 158.00           | 184.30           | 263.30            |
| 42           | 85.10            | 117.50           | 143.80           | 162.00           | 190.40           | 269.30            |
| 43           | 87.10            | 119.50           | 145.80           | 168.10           | 196.40           | 277.40            |
| 44           | 91.10            | 123.50           | 151.90           | 170.10           | 202.50           | 285.50            |
| 45           | 91.40            | 122.50           | 145.80           | 167.20           | 200.20           | 283.80            |
| 46           | 93.30            | 126.40           | 151.60           | 173.00           | 206.10           | 291.60            |
| 47           | 93.30            | 130.20           | 155.50           | 176.90           | 211.90           | 299.40            |
| 48           | 97.20            | 130.20           | 159.40           | 182.70           | 217.70           | 307.20            |
| 49           | 99.10            | 136.10           | 163.30           | 188.60           | 223.60           | 314.90            |
| 50           | 98.30            | 134.20           | 162.50           | 187.10           | 223.00           | 313.70            |
| 51           | 104.00           | 138.00           | 170.10           | 194.70           | 230.60           | 325.10            |
| 52           | 104.00           | 141.80           | 173.90           | 198.50           | 236.30           | 334.50            |
| 53           | 107.70           | 145.50           | 177.70           | 204.10           | 245.70           | 344.00            |
| 54           | 109.60           | 149.30           | 183.30           | 207.90           | 251.40           | 351.50            |
| 55           | 109.30           | 146.90           | 182.70           | 207.80           | 248.90           | 347.50            |
| 56           | 111.00           | 150.40           | 182.70           | 207.80           | 248.90           | 352.80            |
| 57           | 112.80           | 152.20           | 186.30           | 213.10           | 256.10           | 363.60            |
| 58           | 116.40           | 157.60           | 193.40           | 220.30           | 263.30           | 372.50            |
| 59           | 118.20           | 161.20           | 197.00           | 225.70           | 270.40           | 383.30            |
| 60           | 118.90           | 160.70           | 195.90           | 226.00           | 269.50           | 383.30            |
| 61           | 123.90           | 167.40           | 205.90           | 236.00           | 282.90           | 400.10            |
| 62           | 128.90           | 175.80           | 214.30           | 247.80           | 296.30           | 418.50            |
| 63           | 133.90           | 182.50           | 224.30           | 257.80           | 308.00           | 436.90            |
| 64           | 138.90           | 190.80           | 232.70           | 266.20           | 321.40           | 455.30            |
| 65           | 132.30           | 182.20           | 225.80           | 258.50           | 311.40           | 445.30            |
| 66           | 138.60           | 190.00           | 233.60           | 267.80           | 323.90           | 465.50            |
| 67           | 143.20           | 197.70           | 241.30           | 278.70           | 336.30           | 484.20            |
| 68           | 147.90           | 202.40           | 250.70           | 288.00           | 350.30           | 502.90            |
| 69           | 151.00           | 208.60           | 260.00           | 298.90           | 362.80           | 524.70            |
| 70           | 146.70           | 202.40           | 250.90           | 290.50           | 353.50           | 513.50            |
| 71           | 151.10           | 209.80           | 258.20           | 300.70           | 365.30           | 534.00            |
| 72           | 154.00           | 214.20           | 265.50           | 309.50           | 378.50           | 553.10            |
| 73           | 157.00           | 218.60           | 271.40           | 318.30           | 388.80           | 572.10            |
| 74           | 158.40           | 223.00           | 278.70           | 324.20           | 400.50           | 591.20            |
| 75           | 163.30           | 232.00           | 291.60           | 343.40           | 427.70           | 648.00            |
| 76           | 164.60           | 233.30           | 294.20           | 347.30           | 435.50           | 664.80            |
| 77           | 163.30           | 234.60           | 296.80           | 351.20           | 443.20           | 680.40            |
| 78           | 163.30           | 234.60           | 298.10           | 353.80           | 448.40           | 697.20            |
| 79           | 162.00           | 233.30           | 298.10           | 355.10           | 453.60           | 710.20            |
| 80           | 160.70           | 234.60           | 302.00           | 362.90           | N/A              | N/A               |
| 81           | 158.10           | 230.70           | 300.70           | 361.60           | N/A              | N/A               |
| 82           | 152.90           | 225.50           | 295.50           | 356.40           | N/A              | N/A               |
| 83           | 146.40           | 219.00           | 287.70           | 352.50           | N/A              | N/A               |
| 84           | 138.70           | 208.70           | 278.60           | 342.10           | N/A              | N/A               |
| 85           | 132.20           | 204.80           | 278.60           | 348.60           | N/A              | N/A               |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

Integrated Plan HHC at 80%  
Lifetime Payment Plan  
90 day Elimination Period  
Married one insured rates

Form Number: CMP2X-HMBSPA  
Indexing: Compound 2X  
Individual Underwriting  
Rate Class II

| Issue<br>Age | Premium Rates    |                  |                  |                  |                  |                   |
|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|              | 24 Month<br>Plan | 36 Month<br>Plan | 48 Month<br>Plan | 60 Month<br>Plan | 84 Month<br>Plan | Unlimited<br>Plan |
| 18-29        | 6.20             | 6.20             | 8.30             | 12.40            | 14.50            | 22.80             |
| 30           | 6.20             | 8.30             | 10.40            | 12.40            | 14.50            | 22.80             |
| 31           | 6.20             | 10.40            | 10.40            | 12.40            | 14.50            | 24.80             |
| 32           | 6.20             | 10.40            | 12.40            | 12.40            | 16.60            | 26.90             |
| 33           | 6.20             | 10.40            | 12.40            | 14.50            | 18.60            | 26.90             |
| 34           | 8.30             | 10.40            | 12.40            | 16.60            | 20.70            | 31.10             |
| 35           | 10.40            | 10.40            | 14.50            | 16.60            | 22.80            | 31.10             |
| 36           | 8.30             | 12.40            | 16.60            | 16.60            | 24.80            | 33.10             |
| 37           | 10.40            | 14.50            | 16.60            | 20.70            | 24.80            | 37.30             |
| 38           | 10.40            | 14.50            | 20.70            | 22.80            | 26.90            | 35.20             |
| 39           | 10.40            | 14.50            | 20.70            | 24.80            | 29.00            | 37.30             |
| 40           | 12.20            | 18.20            | 22.30            | 26.30            | 30.40            | 40.50             |
| 41           | 12.20            | 20.30            | 24.30            | 28.40            | 28.40            | 44.60             |
| 42           | 14.20            | 22.30            | 26.30            | 28.40            | 32.40            | 46.60             |
| 43           | 14.20            | 22.30            | 26.30            | 32.40            | 34.40            | 50.60             |
| 44           | 18.20            | 24.30            | 30.40            | 30.40            | 36.50            | 52.70             |
| 45           | 19.40            | 25.30            | 27.20            | 31.10            | 38.90            | 56.40             |
| 46           | 21.40            | 27.20            | 31.10            | 35.00            | 40.80            | 60.30             |
| 47           | 21.40            | 29.20            | 33.00            | 38.90            | 44.70            | 66.10             |
| 48           | 23.30            | 27.20            | 35.00            | 38.90            | 48.60            | 71.90             |
| 49           | 25.30            | 31.10            | 38.90            | 42.80            | 50.50            | 75.80             |
| 50           | 24.60            | 34.00            | 39.70            | 45.40            | 52.90            | 79.40             |
| 51           | 28.40            | 35.90            | 43.50            | 49.10            | 60.50            | 85.10             |
| 52           | 28.40            | 37.80            | 45.40            | 51.00            | 64.30            | 90.70             |
| 53           | 30.20            | 41.60            | 49.10            | 58.60            | 69.90            | 98.30             |
| 54           | 32.10            | 43.50            | 52.90            | 62.40            | 75.60            | 105.80            |
| 55           | 34.00            | 44.80            | 57.30            | 66.30            | 77.00            | 109.30            |
| 56           | 37.60            | 50.10            | 60.90            | 68.10            | 80.60            | 116.40            |
| 57           | 39.40            | 51.90            | 64.50            | 73.40            | 86.00            | 123.60            |
| 58           | 43.00            | 57.30            | 69.80            | 78.80            | 93.10            | 132.50            |
| 59           | 46.60            | 60.90            | 73.40            | 84.20            | 102.10           | 143.30            |
| 60           | 48.50            | 63.60            | 77.00            | 88.70            | 105.50           | 149.00            |
| 61           | 51.90            | 70.30            | 85.40            | 97.10            | 115.50           | 164.10            |
| 62           | 56.90            | 78.70            | 93.70            | 107.10           | 127.20           | 179.10            |
| 63           | 63.60            | 83.70            | 103.80           | 117.20           | 138.90           | 195.90            |
| 64           | 68.60            | 93.70            | 112.20           | 127.20           | 152.30           | 214.30            |
| 65           | 68.50            | 95.00            | 115.20           | 132.30           | 157.30           | 225.80            |
| 66           | 76.30            | 102.80           | 126.10           | 143.20           | 171.30           | 247.60            |
| 67           | 81.00            | 112.10           | 135.50           | 155.70           | 186.80           | 270.90            |
| 68           | 88.70            | 119.90           | 147.90           | 168.20           | 204.00           | 295.80            |
| 69           | 93.40            | 129.20           | 160.40           | 183.70           | 221.10           | 322.30            |
| 70           | 95.40            | 130.60           | 161.40           | 186.30           | 224.50           | 331.50            |
| 71           | 102.70           | 140.80           | 173.10           | 201.00           | 243.50           | 359.40            |
| 72           | 108.60           | 149.60           | 184.80           | 215.60           | 262.60           | 388.80            |
| 73           | 114.40           | 159.90           | 198.00           | 230.30           | 281.70           | 419.60            |
| 74           | 121.80           | 168.70           | 209.80           | 245.00           | 300.70           | 450.40            |
| 75           | 129.60           | 182.70           | 229.40           | 269.60           | 335.70           | 515.80            |
| 76           | 134.80           | 190.50           | 239.80           | 282.50           | 353.80           | 548.20            |
| 77           | 138.70           | 198.30           | 250.10           | 294.20           | 372.00           | 579.30            |
| 78           | 142.60           | 203.50           | 257.90           | 305.90           | 387.50           | 610.40            |
| 79           | 143.90           | 207.40           | 265.70           | 314.90           | 403.10           | 638.90            |
| 80           | 146.40           | 212.50           | 274.80           | 330.50           | N/A              | N/A               |
| 81           | 146.40           | 213.80           | 278.60           | 334.40           | N/A              | N/A               |
| 82           | 143.90           | 213.80           | 278.60           | 337.00           | N/A              | N/A               |
| 83           | 140.00           | 208.70           | 276.00           | 337.00           | N/A              | N/A               |
| 84           | 134.80           | 202.20           | 270.90           | 331.80           | N/A              | N/A               |
| 85           | 129.60           | 200.90           | 272.20           | 340.80           | N/A              | N/A               |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

Integrated Plan HHC at 80%  
Lifetime Payment Plan  
90 day Elimination Period  
Married one insured rates

Form Number: SBIR-HMBSPA  
Indexing: Simple  
Individual Underwriting  
Rate Class II

| Issue Age | Premium Rates |               |               |               |               |                |
|-----------|---------------|---------------|---------------|---------------|---------------|----------------|
|           | 24 Month Plan | 36 Month Plan | 48 Month Plan | 60 Month Plan | 84 Month Plan | Unlimited Plan |
| 18-29     | 12.40         | 18.60         | 22.80         | 29.00         | 37.30         | 55.90          |
| 30        | 14.50         | 20.70         | 24.80         | 31.10         | 37.30         | 58.00          |
| 31        | 14.50         | 22.80         | 26.90         | 33.10         | 39.30         | 60.00          |
| 32        | 16.60         | 22.80         | 31.10         | 33.10         | 43.50         | 64.20          |
| 33        | 16.60         | 24.80         | 31.10         | 37.30         | 43.50         | 68.30          |
| 34        | 18.60         | 24.80         | 33.10         | 39.30         | 47.60         | 72.50          |
| 35        | 20.70         | 24.80         | 35.20         | 39.30         | 49.70         | 74.50          |
| 36        | 20.70         | 31.10         | 37.30         | 41.40         | 51.80         | 78.70          |
| 37        | 22.80         | 31.10         | 39.30         | 43.50         | 53.80         | 82.80          |
| 38        | 22.80         | 33.10         | 41.40         | 47.60         | 58.00         | 84.90          |
| 39        | 22.80         | 35.20         | 43.50         | 49.70         | 60.00         | 89.00          |
| 40        | 24.30         | 36.50         | 44.60         | 50.60         | 62.80         | 95.20          |
| 41        | 28.40         | 38.50         | 46.60         | 54.70         | 62.80         | 99.20          |
| 42        | 28.40         | 40.50         | 50.60         | 56.70         | 66.80         | 105.30         |
| 43        | 30.40         | 40.50         | 50.60         | 60.80         | 70.90         | 111.40         |
| 44        | 34.40         | 44.60         | 54.70         | 60.80         | 72.90         | 115.40         |
| 45        | 33.00         | 44.70         | 52.50         | 60.30         | 73.90         | 118.60         |
| 46        | 35.00         | 48.60         | 56.40         | 66.10         | 81.60         | 124.40         |
| 47        | 35.00         | 50.50         | 60.30         | 70.00         | 85.50         | 130.20         |
| 48        | 38.90         | 48.60         | 62.20         | 71.90         | 89.40         | 136.10         |
| 49        | 40.80         | 54.40         | 66.10         | 77.80         | 93.30         | 143.90         |
| 50        | 39.70         | 54.80         | 66.20         | 79.40         | 96.40         | 147.40         |
| 51        | 43.50         | 58.60         | 69.90         | 85.10         | 102.10        | 155.00         |
| 52        | 43.50         | 60.50         | 75.60         | 86.90         | 107.70        | 162.50         |
| 53        | 45.40         | 64.30         | 79.40         | 92.60         | 113.40        | 170.10         |
| 54        | 47.30         | 66.20         | 85.10         | 96.40         | 119.10        | 177.70         |
| 55        | 48.40         | 68.10         | 86.00         | 98.50         | 121.80        | 182.70         |
| 56        | 51.90         | 69.80         | 87.80         | 100.30        | 123.60        | 188.10         |
| 57        | 53.70         | 73.40         | 91.30         | 105.70        | 129.00        | 197.00         |
| 58        | 55.50         | 77.00         | 96.70         | 111.00        | 136.10        | 206.00         |
| 59        | 59.10         | 80.60         | 100.30        | 116.40        | 143.30        | 216.70         |
| 60        | 60.30         | 82.00         | 102.10        | 118.90        | 145.60        | 219.30         |
| 61        | 63.60         | 88.70         | 108.80        | 127.20        | 155.70        | 234.40         |
| 62        | 67.00         | 95.40         | 115.50        | 135.60        | 165.70        | 251.10         |
| 63        | 72.00         | 98.80         | 123.90        | 144.00        | 175.80        | 266.20         |
| 64        | 77.00         | 107.10        | 130.60        | 152.30        | 187.50        | 281.20         |
| 65        | 74.70         | 104.30        | 130.80        | 152.60        | 186.80        | 283.40         |
| 66        | 79.40         | 110.50        | 138.60        | 160.40        | 197.70        | 300.50         |
| 67        | 84.10         | 116.80        | 146.40        | 169.70        | 210.20        | 319.20         |
| 68        | 88.70         | 123.00        | 154.10        | 179.10        | 222.70        | 337.90         |
| 69        | 91.90         | 129.20        | 161.90        | 190.00        | 233.60        | 358.10         |
| 70        | 91.00         | 127.60        | 159.90        | 187.80        | 231.80        | 357.90         |
| 71        | 95.40         | 133.50        | 167.20        | 198.00        | 245.00        | 378.50         |
| 72        | 98.30         | 139.40        | 174.60        | 206.80        | 258.20        | 397.60         |
| 73        | 101.20        | 143.80        | 181.90        | 215.60        | 269.90        | 418.10         |
| 74        | 104.20        | 149.60        | 189.20        | 224.50        | 281.70        | 438.60         |
| 75        | 110.20        | 158.10        | 202.20        | 242.40        | 308.40        | 492.50         |
| 76        | 111.50        | 162.00        | 207.40        | 248.80        | 318.80        | 513.20         |
| 77        | 112.80        | 164.60        | 212.50        | 254.00        | 329.20        | 534.00         |
| 78        | 114.00        | 167.20        | 216.40        | 260.50        | 337.00        | 553.40         |
| 79        | 114.00        | 168.50        | 219.00        | 264.40        | 347.30        | 572.80         |
| 80        | 115.30        | 171.10        | 224.20        | 274.80        | N/A           | N/A            |
| 81        | 112.80        | 169.80        | 225.50        | 276.00        | N/A           | N/A            |
| 82        | 110.20        | 168.50        | 224.20        | 276.00        | N/A           | N/A            |
| 83        | 106.30        | 163.30        | 221.60        | 274.80        | N/A           | N/A            |
| 84        | 102.40        | 156.80        | 216.40        | 269.60        | N/A           | N/A            |
| 85        | 95.90         | 154.20        | 216.40        | 277.30        | N/A           | N/A            |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

Integrated Plan HHC at 80%  
Lifetime Payment Plan  
90 day Elimination Period  
Married one insured rates

Indexing: None  
Individual Underwriting  
Rate Class II

| Issue Age | Premium Rates |               |               |               |               |                |
|-----------|---------------|---------------|---------------|---------------|---------------|----------------|
|           | 24 Month Plan | 36 Month Plan | 48 Month Plan | 60 Month Plan | 84 Month Plan | Unlimited Plan |
| 18-29     | 14.50         | 18.60         | 20.70         | 20.70         | 24.80         | 31.10          |
| 30        | 14.50         | 18.60         | 20.70         | 22.80         | 26.90         | 33.10          |
| 31        | 16.60         | 18.60         | 22.80         | 24.80         | 29.00         | 35.20          |
| 32        | 16.60         | 20.70         | 22.80         | 26.90         | 29.00         | 37.30          |
| 33        | 18.60         | 20.70         | 24.80         | 26.90         | 31.10         | 39.30          |
| 34        | 18.60         | 22.80         | 26.90         | 29.00         | 33.10         | 41.40          |
| 35        | 18.60         | 24.80         | 26.90         | 31.10         | 35.20         | 45.50          |
| 36        | 20.70         | 24.80         | 29.00         | 33.10         | 37.30         | 47.60          |
| 37        | 20.70         | 26.90         | 31.10         | 35.20         | 39.30         | 49.70          |
| 38        | 22.80         | 29.00         | 33.10         | 37.30         | 41.40         | 55.90          |
| 39        | 24.80         | 31.10         | 35.20         | 39.30         | 45.50         | 60.00          |
| 40        | 24.30         | 30.40         | 36.50         | 40.50         | 46.60         | 60.80          |
| 41        | 26.30         | 32.40         | 38.50         | 42.50         | 52.70         | 64.80          |
| 42        | 28.40         | 34.40         | 40.50         | 46.60         | 54.70         | 68.90          |
| 43        | 30.40         | 38.50         | 44.60         | 48.60         | 58.70         | 72.90          |
| 44        | 30.40         | 40.50         | 46.60         | 54.70         | 62.80         | 79.00          |
| 45        | 31.10         | 40.80         | 50.50         | 56.40         | 64.20         | 79.70          |
| 46        | 33.00         | 42.80         | 52.50         | 58.30         | 68.00         | 85.50          |
| 47        | 36.90         | 46.70         | 56.40         | 62.20         | 71.90         | 91.40          |
| 48        | 38.90         | 52.50         | 60.30         | 68.00         | 77.80         | 97.20          |
| 49        | 40.80         | 54.40         | 64.20         | 71.90         | 83.60         | 105.00         |
| 50        | 43.50         | 56.70         | 68.00         | 75.60         | 86.90         | 109.60         |
| 51        | 45.40         | 60.50         | 71.80         | 79.40         | 92.60         | 117.20         |
| 52        | 51.00         | 66.20         | 77.50         | 86.90         | 98.30         | 124.70         |
| 53        | 54.80         | 69.90         | 83.20         | 92.60         | 105.80        | 134.20         |
| 54        | 58.60         | 75.60         | 88.80         | 100.20        | 113.40        | 145.50         |
| 55        | 60.90         | 78.80         | 91.30         | 102.10        | 118.20        | 150.40         |
| 56        | 62.70         | 82.40         | 96.70         | 109.30        | 125.40        | 157.60         |
| 57        | 68.10         | 89.60         | 105.70        | 118.20        | 136.10        | 170.10         |
| 58        | 73.40         | 96.70         | 112.80        | 127.20        | 146.90        | 184.50         |
| 59        | 78.80         | 103.90        | 123.60        | 137.90        | 157.60        | 198.80         |
| 60        | 82.00         | 108.80        | 128.90        | 144.00        | 165.70        | 207.60         |
| 61        | 90.40         | 118.90        | 140.60        | 157.40        | 180.80        | 226.00         |
| 62        | 98.80         | 128.90        | 154.00        | 170.70        | 197.50        | 246.10         |
| 63        | 107.10        | 142.30        | 167.40        | 187.50        | 215.90        | 269.50         |
| 64        | 117.20        | 154.00        | 184.10        | 205.90        | 236.00        | 294.60         |
| 65        | 123.00        | 161.90        | 191.50        | 214.90        | 247.60        | 308.30         |
| 66        | 133.90        | 177.50        | 210.20        | 236.70        | 272.50        | 337.90         |
| 67        | 147.90        | 194.60        | 232.00        | 260.00        | 298.90        | 372.10         |
| 68        | 161.90        | 214.90        | 255.30        | 286.50        | 328.50        | 409.50         |
| 69        | 179.10        | 236.70        | 280.30        | 314.50        | 362.80        | 450.00         |
| 70        | 184.80        | 245.00        | 291.90        | 327.10        | 377.00        | 466.50         |
| 71        | 202.40        | 268.50        | 321.30        | 359.40        | 415.20        | 513.50         |
| 72        | 223.00        | 296.30        | 353.50        | 396.10        | 456.20        | 566.30         |
| 73        | 245.00        | 325.70        | 388.80        | 435.70        | 503.20        | 623.50         |
| 74        | 268.50        | 356.50        | 426.90        | 479.70        | 553.10        | 685.10         |
| 75        | 312.30        | 417.30        | 500.30        | 563.80        | 653.20        | 812.60         |
| 76        | 340.80        | 456.20        | 548.20        | 618.20        | 716.70        | 891.60         |
| 77        | 372.00        | 497.70        | 598.80        | 676.50        | 784.10        | 975.90         |
| 78        | 404.40        | 543.00        | 654.50        | 738.70        | 858.00        | 1,065.30       |
| 79        | 440.60        | 592.30        | 714.10        | 807.40        | 937.00        | 1,163.80       |
| 80        | 492.50        | 664.80        | 802.20        | 907.20        | N/A           | N/A            |
| 81        | 536.50        | 725.80        | 876.10        | 992.70        | N/A           | N/A            |
| 82        | 584.50        | 790.60        | 956.40        | 1,084.80      | N/A           | N/A            |
| 83        | 635.00        | 860.50        | 1,042.00      | 1,180.70      | N/A           | N/A            |
| 84        | 686.90        | 934.40        | 1,131.40      | 1,284.30      | N/A           | N/A            |
| 85        | 819.10        | 1,119.70      | 1,364.70      | 1,553.90      | N/A           | N/A            |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP-HMBSPA**  
**Indexing: Compound - No Maximum**  
**Individual Underwriting**  
**Rate Class II**

| Issue Age | Premium Rates |               |               |               |               |                |
|-----------|---------------|---------------|---------------|---------------|---------------|----------------|
|           | 24 Month Plan | 36 Month Plan | 48 Month Plan | 60 Month Plan | 84 Month Plan | Unlimited Plan |
| 18-29     | 105.00        | 142.00        | 171.00        | 200.00        | 236.00        | 331.00         |
| 30        | 113.00        | 149.00        | 182.00        | 207.00        | 247.00        | 346.00         |
| 31        | 113.00        | 156.00        | 186.00        | 211.00        | 255.00        | 356.00         |
| 32        | 116.00        | 156.00        | 193.00        | 215.00        | 262.00        | 364.00         |
| 33        | 120.00        | 164.00        | 196.00        | 226.00        | 269.00        | 375.00         |
| 34        | 124.00        | 167.00        | 200.00        | 233.00        | 276.00        | 393.00         |
| 35        | 127.00        | 171.00        | 211.00        | 240.00        | 284.00        | 400.00         |
| 36        | 131.00        | 178.00        | 215.00        | 247.00        | 295.00        | 411.00         |
| 37        | 135.00        | 182.00        | 218.00        | 255.00        | 302.00        | 426.00         |
| 38        | 138.00        | 186.00        | 229.00        | 262.00        | 313.00        | 433.00         |
| 39        | 142.00        | 189.00        | 236.00        | 269.00        | 316.00        | 444.00         |
| 40        | 146.00        | 200.00        | 244.00        | 276.00        | 327.00        | 458.00         |
| 41        | 149.00        | 204.00        | 251.00        | 284.00        | 331.00        | 473.00         |
| 42        | 153.00        | 211.00        | 258.00        | 291.00        | 342.00        | 484.00         |
| 43        | 156.00        | 215.00        | 262.00        | 302.00        | 353.00        | 498.00         |
| 44        | 164.00        | 222.00        | 273.00        | 306.00        | 364.00        | 513.00         |
| 45        | 165.00        | 221.00        | 263.00        | 302.00        | 362.00        | 513.00         |
| 46        | 166.00        | 224.00        | 269.00        | 307.00        | 366.00        | 518.00         |
| 47        | 163.00        | 227.00        | 271.00        | 308.00        | 369.00        | 522.00         |
| 48        | 166.00        | 223.00        | 273.00        | 313.00        | 372.00        | 525.00         |
| 49        | 166.00        | 228.00        | 273.00        | 315.00        | 374.00        | 527.00         |
| 50        | 168.00        | 230.00        | 278.00        | 321.00        | 382.00        | 537.00         |
| 51        | 177.00        | 235.00        | 289.00        | 331.00        | 392.00        | 553.00         |
| 52        | 175.00        | 239.00        | 293.00        | 335.00        | 398.00        | 564.00         |
| 53        | 180.00        | 244.00        | 297.00        | 342.00        | 411.00        | 576.00         |
| 54        | 182.00        | 248.00        | 304.00        | 345.00        | 417.00        | 584.00         |
| 55        | 191.00        | 257.00        | 320.00        | 364.00        | 436.00        | 609.00         |
| 56        | 191.00        | 259.00        | 315.00        | 358.00        | 429.00        | 608.00         |
| 57        | 192.00        | 259.00        | 317.00        | 363.00        | 436.00        | 619.00         |
| 58        | 195.00        | 264.00        | 324.00        | 369.00        | 441.00        | 624.00         |
| 59        | 196.00        | 267.00        | 326.00        | 373.00        | 447.00        | 634.00         |
| 60        | 210.00        | 284.00        | 347.00        | 400.00        | 477.00        | 678.00         |
| 61        | 213.00        | 288.00        | 354.00        | 405.00        | 486.00        | 687.00         |
| 62        | 216.00        | 294.00        | 358.00        | 414.00        | 496.00        | 700.00         |
| 63        | 217.00        | 296.00        | 363.00        | 418.00        | 499.00        | 708.00         |
| 64        | 219.00        | 301.00        | 367.00        | 419.00        | 506.00        | 717.00         |
| 65        | 224.00        | 309.00        | 382.00        | 438.00        | 528.00        | 754.00         |
| 66        | 229.00        | 314.00        | 386.00        | 443.00        | 536.00        | 770.00         |
| 67        | 231.00        | 319.00        | 389.00        | 450.00        | 543.00        | 781.00         |
| 68        | 232.00        | 317.00        | 392.00        | 451.00        | 548.00        | 787.00         |
| 69        | 230.00        | 318.00        | 397.00        | 456.00        | 553.00        | 800.00         |
| 70        | 234.00        | 323.00        | 400.00        | 463.00        | 563.00        | 818.00         |
| 71        | 238.00        | 331.00        | 407.00        | 474.00        | 576.00        | 842.00         |
| 72        | 240.00        | 334.00        | 414.00        | 483.00        | 590.00        | 862.00         |
| 73        | 242.00        | 337.00        | 419.00        | 491.00        | 600.00        | 882.00         |
| 74        | 242.00        | 340.00        | 425.00        | 494.00        | 611.00        | 902.00         |
| 75        | 282.00        | 401.00        | 503.00        | 593.00        | 738.00        | 1,119.00       |
| 76        | 278.00        | 394.00        | 497.00        | 586.00        | 735.00        | 1,122.00       |
| 77        | 271.00        | 389.00        | 492.00        | 583.00        | 735.00        | 1,129.00       |
| 78        | 266.00        | 382.00        | 486.00        | 577.00        | 731.00        | 1,137.00       |
| 79        | 259.00        | 374.00        | 477.00        | 569.00        | 726.00        | 1,137.00       |
| 80        | 253.00        | 369.00        | 475.00        | 571.00        | N/A           | N/A            |
| 81        | 244.00        | 356.00        | 464.00        | 558.00        | N/A           | N/A            |
| 82        | 230.00        | 339.00        | 445.00        | 536.00        | N/A           | N/A            |
| 83        | 216.00        | 323.00        | 425.00        | 520.00        | N/A           | N/A            |
| 84        | 201.00        | 302.00        | 403.00        | 495.00        | N/A           | N/A            |
| 85        | 187.00        | 290.00        | 395.00        | 494.00        | N/A           | N/A            |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP2X-HMBSPA**  
**Indexing: Compound 2X**  
**Individual Underwriting**  
**Rate Class II**

| Issue<br>Age | Premium Rates    |                  |                  |                  |                  |                   |
|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|              | 24 Month<br>Plan | 36 Month<br>Plan | 48 Month<br>Plan | 60 Month<br>Plan | 84 Month<br>Plan | Unlimited<br>Plan |
| 18-29        | 11.00            | 11.00            | 15.00            | 22.00            | 25.00            | 40.00             |
| 30           | 11.00            | 15.00            | 18.00            | 22.00            | 25.00            | 40.00             |
| 31           | 11.00            | 18.00            | 18.00            | 22.00            | 25.00            | 44.00             |
| 32           | 11.00            | 18.00            | 22.00            | 22.00            | 29.00            | 47.00             |
| 33           | 11.00            | 18.00            | 22.00            | 25.00            | 33.00            | 47.00             |
| 34           | 15.00            | 18.00            | 22.00            | 29.00            | 36.00            | 55.00             |
| 35           | 18.00            | 18.00            | 25.00            | 29.00            | 40.00            | 55.00             |
| 36           | 15.00            | 22.00            | 29.00            | 29.00            | 44.00            | 58.00             |
| 37           | 18.00            | 25.00            | 29.00            | 36.00            | 44.00            | 65.00             |
| 38           | 18.00            | 25.00            | 36.00            | 40.00            | 47.00            | 62.00             |
| 39           | 18.00            | 25.00            | 36.00            | 44.00            | 51.00            | 65.00             |
| 40           | 22.00            | 33.00            | 40.00            | 47.00            | 55.00            | 73.00             |
| 41           | 22.00            | 36.00            | 44.00            | 51.00            | 51.00            | 80.00             |
| 42           | 25.00            | 40.00            | 47.00            | 51.00            | 58.00            | 84.00             |
| 43           | 25.00            | 40.00            | 47.00            | 58.00            | 62.00            | 91.00             |
| 44           | 33.00            | 44.00            | 55.00            | 55.00            | 65.00            | 95.00             |
| 45           | 35.00            | 46.00            | 49.00            | 56.00            | 70.00            | 102.00            |
| 46           | 38.00            | 48.00            | 55.00            | 62.00            | 72.00            | 107.00            |
| 47           | 37.00            | 51.00            | 58.00            | 68.00            | 78.00            | 115.00            |
| 48           | 40.00            | 47.00            | 60.00            | 67.00            | 83.00            | 123.00            |
| 49           | 42.00            | 52.00            | 65.00            | 72.00            | 85.00            | 127.00            |
| 50           | 42.00            | 58.00            | 68.00            | 78.00            | 91.00            | 136.00            |
| 51           | 48.00            | 61.00            | 74.00            | 84.00            | 103.00           | 145.00            |
| 52           | 48.00            | 64.00            | 77.00            | 86.00            | 108.00           | 153.00            |
| 53           | 51.00            | 70.00            | 82.00            | 98.00            | 117.00           | 164.00            |
| 54           | 53.00            | 72.00            | 88.00            | 104.00           | 126.00           | 176.00            |
| 55           | 60.00            | 78.00            | 100.00           | 116.00           | 135.00           | 191.00            |
| 56           | 65.00            | 86.00            | 105.00           | 117.00           | 139.00           | 201.00            |
| 57           | 67.00            | 88.00            | 110.00           | 125.00           | 146.00           | 210.00            |
| 58           | 72.00            | 96.00            | 117.00           | 132.00           | 156.00           | 222.00            |
| 59           | 77.00            | 101.00           | 121.00           | 139.00           | 169.00           | 237.00            |
| 60           | 86.00            | 113.00           | 136.00           | 157.00           | 187.00           | 264.00            |
| 61           | 89.00            | 121.00           | 147.00           | 167.00           | 198.00           | 282.00            |
| 62           | 95.00            | 132.00           | 157.00           | 179.00           | 213.00           | 300.00            |
| 63           | 103.00           | 136.00           | 168.00           | 190.00           | 225.00           | 317.00            |
| 64           | 108.00           | 148.00           | 177.00           | 200.00           | 240.00           | 338.00            |
| 65           | 116.00           | 161.00           | 195.00           | 224.00           | 266.00           | 382.00            |
| 66           | 126.00           | 170.00           | 209.00           | 237.00           | 283.00           | 409.00            |
| 67           | 131.00           | 181.00           | 219.00           | 251.00           | 302.00           | 437.00            |
| 68           | 139.00           | 188.00           | 232.00           | 263.00           | 319.00           | 463.00            |
| 69           | 143.00           | 197.00           | 245.00           | 280.00           | 337.00           | 492.00            |
| 70           | 152.00           | 208.00           | 257.00           | 297.00           | 358.00           | 528.00            |
| 71           | 162.00           | 222.00           | 273.00           | 317.00           | 384.00           | 567.00            |
| 72           | 169.00           | 233.00           | 288.00           | 336.00           | 409.00           | 606.00            |
| 73           | 176.00           | 247.00           | 305.00           | 355.00           | 434.00           | 647.00            |
| 74           | 186.00           | 257.00           | 320.00           | 374.00           | 459.00           | 687.00            |
| 75           | 224.00           | 315.00           | 396.00           | 465.00           | 580.00           | 891.00            |
| 76           | 228.00           | 322.00           | 405.00           | 477.00           | 597.00           | 925.00            |
| 77           | 230.00           | 329.00           | 415.00           | 488.00           | 617.00           | 961.00            |
| 78           | 232.00           | 332.00           | 420.00           | 499.00           | 632.00           | 995.00            |
| 79           | 230.00           | 332.00           | 425.00           | 504.00           | 645.00           | 1,023.00          |
| 80           | 230.00           | 334.00           | 432.00           | 520.00           | N/A              | N/A               |
| 81           | 226.00           | 330.00           | 430.00           | 516.00           | N/A              | N/A               |
| 82           | 216.00           | 322.00           | 419.00           | 507.00           | N/A              | N/A               |
| 83           | 207.00           | 308.00           | 407.00           | 497.00           | N/A              | N/A               |
| 84           | 195.00           | 293.00           | 392.00           | 480.00           | N/A              | N/A               |
| 85           | 184.00           | 285.00           | 386.00           | 483.00           | N/A              | N/A               |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: SBIR-HMBSPA**  
**Indexing: Simple**  
**Individual Underwriting**  
**Rate Class II**

| Issue<br>Age | Premium Rates    |                  |                  |                  |                  |                   |
|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|              | 24 Month<br>Plan | 36 Month<br>Plan | 48 Month<br>Plan | 60 Month<br>Plan | 84 Month<br>Plan | Unlimited<br>Plan |
| 18-29        | 22.00            | 33.00            | 40.00            | 51.00            | 65.00            | 98.00             |
| 30           | 25.00            | 36.00            | 44.00            | 55.00            | 65.00            | 102.00            |
| 31           | 25.00            | 40.00            | 47.00            | 58.00            | 69.00            | 105.00            |
| 32           | 29.00            | 40.00            | 55.00            | 58.00            | 76.00            | 113.00            |
| 33           | 29.00            | 44.00            | 55.00            | 65.00            | 76.00            | 120.00            |
| 34           | 33.00            | 44.00            | 58.00            | 69.00            | 84.00            | 127.00            |
| 35           | 36.00            | 44.00            | 62.00            | 69.00            | 87.00            | 131.00            |
| 36           | 36.00            | 55.00            | 65.00            | 73.00            | 91.00            | 138.00            |
| 37           | 40.00            | 55.00            | 69.00            | 76.00            | 95.00            | 146.00            |
| 38           | 40.00            | 58.00            | 73.00            | 84.00            | 102.00           | 149.00            |
| 39           | 40.00            | 62.00            | 76.00            | 87.00            | 105.00           | 156.00            |
| 40           | 44.00            | 65.00            | 80.00            | 91.00            | 113.00           | 171.00            |
| 41           | 51.00            | 69.00            | 84.00            | 98.00            | 113.00           | 178.00            |
| 42           | 51.00            | 73.00            | 91.00            | 102.00           | 120.00           | 189.00            |
| 43           | 55.00            | 73.00            | 91.00            | 109.00           | 127.00           | 200.00            |
| 44           | 62.00            | 80.00            | 98.00            | 109.00           | 131.00           | 207.00            |
| 45           | 60.00            | 81.00            | 95.00            | 109.00           | 133.00           | 214.00            |
| 46           | 62.00            | 86.00            | 100.00           | 117.00           | 145.00           | 221.00            |
| 47           | 61.00            | 88.00            | 105.00           | 122.00           | 149.00           | 227.00            |
| 48           | 67.00            | 83.00            | 106.00           | 123.00           | 153.00           | 233.00            |
| 49           | 68.00            | 91.00            | 111.00           | 130.00           | 156.00           | 241.00            |
| 50           | 68.00            | 94.00            | 113.00           | 136.00           | 165.00           | 253.00            |
| 51           | 74.00            | 100.00           | 119.00           | 145.00           | 173.00           | 263.00            |
| 52           | 73.00            | 102.00           | 128.00           | 147.00           | 182.00           | 274.00            |
| 53           | 76.00            | 108.00           | 133.00           | 155.00           | 190.00           | 285.00            |
| 54           | 78.00            | 110.00           | 141.00           | 160.00           | 198.00           | 295.00            |
| 55           | 85.00            | 119.00           | 151.00           | 173.00           | 213.00           | 320.00            |
| 56           | 90.00            | 120.00           | 151.00           | 173.00           | 213.00           | 324.00            |
| 57           | 92.00            | 125.00           | 156.00           | 180.00           | 220.00           | 336.00            |
| 58           | 93.00            | 129.00           | 162.00           | 186.00           | 228.00           | 345.00            |
| 59           | 98.00            | 133.00           | 166.00           | 193.00           | 237.00           | 358.00            |
| 60           | 107.00           | 145.00           | 181.00           | 210.00           | 258.00           | 388.00            |
| 61           | 109.00           | 152.00           | 187.00           | 219.00           | 267.00           | 403.00            |
| 62           | 112.00           | 160.00           | 193.00           | 227.00           | 277.00           | 420.00            |
| 63           | 117.00           | 160.00           | 201.00           | 233.00           | 285.00           | 431.00            |
| 64           | 121.00           | 169.00           | 206.00           | 240.00           | 295.00           | 443.00            |
| 65           | 127.00           | 177.00           | 222.00           | 258.00           | 317.00           | 480.00            |
| 66           | 131.00           | 183.00           | 229.00           | 265.00           | 327.00           | 497.00            |
| 67           | 136.00           | 188.00           | 236.00           | 274.00           | 339.00           | 515.00            |
| 68           | 139.00           | 193.00           | 241.00           | 280.00           | 349.00           | 529.00            |
| 69           | 140.00           | 197.00           | 247.00           | 290.00           | 356.00           | 546.00            |
| 70           | 145.00           | 203.00           | 255.00           | 299.00           | 369.00           | 570.00            |
| 71           | 150.00           | 210.00           | 264.00           | 312.00           | 386.00           | 597.00            |
| 72           | 153.00           | 217.00           | 272.00           | 323.00           | 403.00           | 620.00            |
| 73           | 156.00           | 222.00           | 281.00           | 333.00           | 416.00           | 645.00            |
| 74           | 159.00           | 228.00           | 289.00           | 342.00           | 430.00           | 669.00            |
| 75           | 190.00           | 273.00           | 349.00           | 418.00           | 533.00           | 850.00            |
| 76           | 188.00           | 273.00           | 350.00           | 420.00           | 538.00           | 866.00            |
| 77           | 187.00           | 273.00           | 353.00           | 421.00           | 546.00           | 886.00            |
| 78           | 186.00           | 273.00           | 353.00           | 425.00           | 549.00           | 902.00            |
| 79           | 183.00           | 270.00           | 351.00           | 423.00           | 556.00           | 917.00            |
| 80           | 181.00           | 269.00           | 352.00           | 432.00           | N/A              | N/A               |
| 81           | 174.00           | 262.00           | 348.00           | 426.00           | N/A              | N/A               |
| 82           | 166.00           | 254.00           | 337.00           | 415.00           | N/A              | N/A               |
| 83           | 157.00           | 241.00           | 327.00           | 405.00           | N/A              | N/A               |
| 84           | 148.00           | 227.00           | 313.00           | 390.00           | N/A              | N/A               |
| 85           | 136.00           | 219.00           | 307.00           | 393.00           | N/A              | N/A               |



**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: SPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

Integrated Plan HHC at 80%  
Lifetime Payment Plan  
90 day Elimination Period  
Married one insured rates

Indexing: None  
Individual Underwriting  
Rate Class II

| Issue<br>Age | Premium Rates    |                  |                  |                  |                  |                   |
|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|              | 24 Month<br>Plan | 36 Month<br>Plan | 48 Month<br>Plan | 60 Month<br>Plan | 84 Month<br>Plan | Unlimited<br>Plan |
| 18-29        | 20.00            | 26.00            | 29.00            | 29.00            | 35.00            | 44.00             |
| 30           | 20.00            | 26.00            | 29.00            | 32.00            | 38.00            | 47.00             |
| 31           | 23.00            | 26.00            | 32.00            | 35.00            | 41.00            | 49.00             |
| 32           | 23.00            | 29.00            | 32.00            | 38.00            | 41.00            | 52.00             |
| 33           | 26.00            | 29.00            | 35.00            | 38.00            | 44.00            | 55.00             |
| 34           | 26.00            | 32.00            | 38.00            | 41.00            | 47.00            | 58.00             |
| 35           | 26.00            | 35.00            | 38.00            | 44.00            | 49.00            | 64.00             |
| 36           | 29.00            | 35.00            | 41.00            | 47.00            | 52.00            | 67.00             |
| 37           | 29.00            | 38.00            | 44.00            | 49.00            | 55.00            | 70.00             |
| 38           | 32.00            | 41.00            | 47.00            | 52.00            | 58.00            | 79.00             |
| 39           | 35.00            | 44.00            | 49.00            | 55.00            | 64.00            | 84.00             |
| 40           | 35.00            | 44.00            | 52.00            | 58.00            | 67.00            | 87.00             |
| 41           | 38.00            | 47.00            | 55.00            | 61.00            | 76.00            | 93.00             |
| 42           | 41.00            | 49.00            | 58.00            | 67.00            | 79.00            | 99.00             |
| 43           | 44.00            | 55.00            | 64.00            | 70.00            | 84.00            | 105.00            |
| 44           | 44.00            | 58.00            | 67.00            | 79.00            | 90.00            | 113.00            |
| 45           | 45.00            | 59.00            | 73.00            | 81.00            | 93.00            | 115.00            |
| 46           | 47.00            | 61.00            | 75.00            | 83.00            | 97.00            | 121.00            |
| 47           | 51.00            | 65.00            | 79.00            | 87.00            | 100.00           | 127.00            |
| 48           | 53.00            | 72.00            | 82.00            | 93.00            | 106.00           | 133.00            |
| 49           | 55.00            | 73.00            | 86.00            | 96.00            | 112.00           | 140.00            |
| 50           | 60.00            | 78.00            | 93.00            | 104.00           | 119.00           | 150.00            |
| 51           | 62.00            | 82.00            | 98.00            | 108.00           | 126.00           | 159.00            |
| 52           | 69.00            | 89.00            | 105.00           | 117.00           | 133.00           | 168.00            |
| 53           | 73.00            | 94.00            | 111.00           | 124.00           | 142.00           | 180.00            |
| 54           | 78.00            | 100.00           | 118.00           | 133.00           | 151.00           | 193.00            |
| 55           | 85.00            | 110.00           | 128.00           | 143.00           | 166.00           | 211.00            |
| 56           | 86.00            | 114.00           | 133.00           | 151.00           | 173.00           | 217.00            |
| 57           | 93.00            | 122.00           | 144.00           | 161.00           | 185.00           | 232.00            |
| 58           | 98.00            | 130.00           | 151.00           | 170.00           | 197.00           | 247.00            |
| 59           | 104.00           | 137.00           | 164.00           | 182.00           | 209.00           | 263.00            |
| 60           | 116.00           | 154.00           | 182.00           | 204.00           | 235.00           | 294.00            |
| 61           | 124.00           | 163.00           | 193.00           | 216.00           | 248.00           | 311.00            |
| 62           | 132.00           | 172.00           | 206.00           | 228.00           | 264.00           | 329.00            |
| 63           | 139.00           | 184.00           | 217.00           | 243.00           | 280.00           | 349.00            |
| 64           | 148.00           | 194.00           | 232.00           | 260.00           | 298.00           | 371.00            |
| 65           | 167.00           | 219.00           | 260.00           | 291.00           | 335.00           | 418.00            |
| 66           | 177.00           | 235.00           | 278.00           | 313.00           | 361.00           | 447.00            |
| 67           | 191.00           | 251.00           | 299.00           | 336.00           | 386.00           | 480.00            |
| 68           | 203.00           | 269.00           | 320.00           | 359.00           | 411.00           | 513.00            |
| 69           | 219.00           | 289.00           | 342.00           | 384.00           | 443.00           | 549.00            |
| 70           | 236.00           | 312.00           | 372.00           | 417.00           | 481.00           | 595.00            |
| 71           | 255.00           | 339.00           | 405.00           | 453.00           | 524.00           | 648.00            |
| 72           | 278.00           | 370.00           | 441.00           | 494.00           | 569.00           | 706.00            |
| 73           | 302.00           | 402.00           | 480.00           | 538.00           | 621.00           | 769.00            |
| 74           | 328.00           | 435.00           | 521.00           | 585.00           | 675.00           | 836.00            |
| 75           | 431.00           | 576.00           | 691.00           | 779.00           | 902.00           | 1,122.00          |
| 76           | 460.00           | 616.00           | 740.00           | 835.00           | 968.00           | 1,204.00          |
| 77           | 494.00           | 660.00           | 795.00           | 898.00           | 1,041.00         | 1,295.00          |
| 78           | 527.00           | 708.00           | 853.00           | 963.00           | 1,119.00         | 1,389.00          |
| 79           | 564.00           | 759.00           | 915.00           | 1,034.00         | 1,200.00         | 1,491.00          |
| 80           | 619.00           | 836.00           | 1,009.00         | 1,141.00         | N/A              | N/A               |
| 81           | 662.00           | 896.00           | 1,082.00         | 1,226.00         | N/A              | N/A               |
| 82           | 704.00           | 952.00           | 1,151.00         | 1,306.00         | N/A              | N/A               |
| 83           | 750.00           | 1,016.00         | 1,230.00         | 1,394.00         | N/A              | N/A               |
| 84           | 795.00           | 1,082.00         | 1,310.00         | 1,487.00         | N/A              | N/A               |
| 85           | 929.00           | 1,270.00         | 1,548.00         | 1,763.00         | N/A              | N/A               |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP-HMBSPA**  
**Indexing: Compound - No Maximum**  
**Individual Underwriting**  
**Rate Class II**

| <b>Issue Age</b> | <b>Premium Rates</b> |                      |                      |                      |                      |                       |
|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|                  | <b>24 Month Plan</b> | <b>36 Month Plan</b> | <b>48 Month Plan</b> | <b>60 Month Plan</b> | <b>84 Month Plan</b> | <b>Unlimited Plan</b> |
| 18-29            | 94.90                | 127.70               | 153.90               | 180.10               | 212.80               | 297.90                |
| 30               | 101.50               | 134.20               | 163.70               | 186.60               | 222.60               | 311.00                |
| 31               | 101.50               | 140.80               | 167.00               | 189.90               | 229.20               | 320.80                |
| 32               | 104.80               | 140.80               | 173.50               | 193.20               | 235.70               | 327.40                |
| 33               | 108.00               | 147.30               | 176.80               | 203.00               | 242.30               | 337.20                |
| 34               | 111.30               | 150.60               | 180.10               | 209.50               | 248.80               | 353.60                |
| 35               | 114.60               | 153.90               | 189.90               | 216.10               | 255.40               | 360.10                |
| 36               | 117.90               | 160.40               | 193.20               | 222.60               | 265.20               | 369.90                |
| 37               | 121.10               | 163.70               | 196.40               | 229.20               | 271.70               | 383.00                |
| 38               | 124.40               | 167.00               | 206.20               | 235.70               | 281.50               | 389.60                |
| 39               | 127.70               | 170.20               | 212.80               | 242.30               | 284.80               | 399.40                |
| 40               | 131.00               | 180.10               | 219.30               | 248.80               | 294.60               | 412.50                |
| 41               | 134.20               | 183.30               | 225.90               | 255.40               | 297.90               | 425.60                |
| 42               | 137.50               | 189.90               | 232.40               | 261.90               | 307.70               | 435.40                |
| 43               | 140.80               | 193.20               | 235.70               | 271.70               | 317.60               | 448.50                |
| 44               | 147.30               | 199.70               | 245.50               | 275.00               | 327.40               | 461.60                |
| 45               | 148.60               | 199.20               | 237.10               | 271.90               | 325.60               | 461.50                |
| 46               | 149.00               | 201.80               | 242.20               | 276.30               | 329.10               | 465.80                |
| 47               | 146.30               | 204.30               | 243.90               | 277.40               | 332.30               | 469.50                |
| 48               | 149.60               | 200.50               | 245.40               | 281.30               | 335.20               | 472.80                |
| 49               | 149.20               | 204.80               | 245.70               | 283.70               | 336.40               | 473.90                |
| 50               | 151.50               | 206.90               | 250.60               | 288.50               | 343.80               | 483.70                |
| 51               | 159.00               | 211.10               | 260.20               | 297.80               | 352.70               | 497.30                |
| 52               | 157.80               | 215.20               | 263.90               | 301.20               | 358.60               | 507.80                |
| 53               | 162.20               | 219.20               | 267.50               | 307.40               | 370.00               | 518.00                |
| 54               | 163.80               | 223.10               | 273.90               | 310.60               | 375.60               | 525.20                |
| 55               | 172.20               | 231.50               | 288.00               | 327.60               | 392.50               | 547.80                |
| 56               | 172.30               | 233.40               | 283.40               | 322.30               | 386.20               | 547.40                |
| 57               | 172.90               | 233.30               | 285.50               | 326.70               | 392.50               | 557.20                |
| 58               | 175.50               | 237.60               | 291.60               | 332.10               | 396.90               | 561.60                |
| 59               | 176.00               | 240.00               | 293.30               | 335.90               | 402.60               | 570.60                |
| 60               | 189.30               | 256.00               | 312.00               | 359.90               | 429.30               | 610.60                |
| 61               | 191.50               | 258.80               | 318.30               | 364.80               | 437.30               | 618.40                |
| 62               | 194.00               | 264.60               | 322.60               | 373.00               | 446.00               | 630.00                |
| 63               | 195.30               | 266.10               | 327.10               | 376.00               | 449.20               | 637.20                |
| 64               | 197.00               | 270.60               | 330.00               | 377.40               | 455.80               | 645.70                |
| 65               | 201.80               | 277.70               | 344.20               | 394.00               | 474.80               | 678.90                |
| 66               | 206.30               | 282.70               | 347.60               | 398.60               | 482.00               | 692.90                |
| 67               | 208.00               | 287.20               | 350.50               | 404.80               | 488.40               | 703.20                |
| 68               | 208.40               | 285.20               | 353.20               | 405.80               | 493.60               | 708.60                |
| 69               | 207.30               | 286.40               | 357.00               | 410.40               | 498.00               | 720.30                |
| 70               | 210.40               | 290.30               | 359.70               | 416.50               | 507.00               | 736.30                |
| 71               | 214.40               | 297.60               | 366.30               | 426.70               | 518.20               | 757.60                |
| 72               | 216.20               | 300.60               | 372.60               | 434.40               | 531.20               | 776.10                |
| 73               | 217.90               | 303.40               | 376.70               | 441.90               | 539.60               | 794.10                |
| 74               | 217.50               | 306.10               | 382.60               | 445.00               | 549.80               | 811.50                |
| 75               | 253.70               | 360.50               | 453.10               | 533.60               | 664.50               | 1,006.90              |
| 76               | 250.00               | 354.40               | 446.90               | 527.60               | 661.50               | 1,010.00              |
| 77               | 243.80               | 350.20               | 443.10               | 524.40               | 661.80               | 1,015.90              |
| 78               | 239.60               | 344.10               | 437.30               | 519.00               | 657.80               | 1,022.90              |
| 79               | 233.40               | 336.20               | 429.50               | 511.70               | 653.60               | 1,023.40              |
| 80               | 227.40               | 331.90               | 427.30               | 513.50               | N/A                  | N/A                   |
| 81               | 219.60               | 320.40               | 417.60               | 502.20               | N/A                  | N/A                   |
| 82               | 207.10               | 305.40               | 400.10               | 482.60               | N/A                  | N/A                   |
| 83               | 194.50               | 290.90               | 382.10               | 468.20               | N/A                  | N/A                   |
| 84               | 180.60               | 271.70               | 362.80               | 445.50               | N/A                  | N/A                   |
| 85               | 168.70               | 261.30               | 355.60               | 444.90               | N/A                  | N/A                   |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: CMP2X-HMBSPA**  
**Indexing: Compound 2X**  
**Individual Underwriting**  
**Rate Class II**

| <b>Issue Age</b> | <b>Premium Rates</b> |                      |                      |                      |                      |                       |
|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|                  | <b>24 Month Plan</b> | <b>36 Month Plan</b> | <b>48 Month Plan</b> | <b>60 Month Plan</b> | <b>84 Month Plan</b> | <b>Unlimited Plan</b> |
| 18-29            | 9.80                 | 9.80                 | 13.10                | 19.60                | 22.90                | 36.00                 |
| 30               | 9.80                 | 13.10                | 16.40                | 19.60                | 22.90                | 36.00                 |
| 31               | 9.80                 | 16.40                | 16.40                | 19.60                | 22.90                | 39.30                 |
| 32               | 9.80                 | 16.40                | 19.60                | 19.60                | 26.20                | 42.60                 |
| 33               | 9.80                 | 16.40                | 19.60                | 22.90                | 29.50                | 42.60                 |
| 34               | 13.10                | 16.40                | 19.60                | 26.20                | 32.70                | 49.10                 |
| 35               | 16.40                | 16.40                | 22.90                | 26.20                | 36.00                | 49.10                 |
| 36               | 13.10                | 19.60                | 26.20                | 26.20                | 39.30                | 52.40                 |
| 37               | 16.40                | 22.90                | 26.20                | 32.70                | 39.30                | 58.90                 |
| 38               | 16.40                | 22.90                | 32.70                | 36.00                | 42.60                | 55.70                 |
| 39               | 16.40                | 22.90                | 32.70                | 39.30                | 45.80                | 58.90                 |
| 40               | 19.60                | 29.50                | 36.00                | 42.60                | 49.10                | 65.50                 |
| 41               | 19.60                | 32.70                | 39.30                | 45.80                | 45.80                | 72.00                 |
| 42               | 22.90                | 36.00                | 42.60                | 45.80                | 52.40                | 75.30                 |
| 43               | 22.90                | 36.00                | 42.60                | 52.40                | 55.70                | 81.80                 |
| 44               | 29.50                | 39.30                | 49.10                | 49.10                | 58.90                | 85.10                 |
| 45               | 31.60                | 41.10                | 44.30                | 50.60                | 63.20                | 91.70                 |
| 46               | 34.20                | 43.50                | 49.70                | 55.90                | 65.20                | 96.30                 |
| 47               | 33.50                | 45.70                | 51.80                | 61.00                | 70.10                | 103.70                |
| 48               | 35.90                | 41.90                | 53.90                | 59.90                | 74.80                | 110.70                |
| 49               | 38.00                | 46.80                | 58.50                | 64.40                | 76.10                | 114.10                |
| 50               | 37.90                | 52.40                | 61.20                | 69.90                | 81.60                | 122.40                |
| 51               | 43.40                | 54.90                | 66.50                | 75.20                | 92.50                | 130.10                |
| 52               | 43.00                | 57.40                | 68.90                | 77.50                | 97.50                | 137.70                |
| 53               | 45.50                | 62.60                | 74.00                | 88.20                | 105.30               | 148.00                |
| 54               | 48.00                | 64.90                | 79.10                | 93.20                | 113.00               | 158.10                |
| 55               | 53.70                | 70.60                | 90.40                | 104.50               | 121.40               | 172.20                |
| 56               | 58.40                | 77.80                | 94.50                | 105.60               | 125.00               | 180.60                |
| 57               | 60.40                | 79.60                | 98.80                | 112.50               | 131.80               | 189.40                |
| 58               | 64.80                | 86.40                | 105.30               | 118.80               | 140.40               | 199.80                |
| 59               | 69.30                | 90.70                | 109.30               | 125.30               | 152.00               | 213.30                |
| 60               | 77.30                | 101.30               | 122.60               | 141.30               | 168.00               | 237.30                |
| 61               | 80.20                | 108.70               | 132.00               | 150.10               | 178.50               | 253.60                |
| 62               | 85.70                | 118.40               | 141.10               | 161.30               | 191.50               | 269.60                |
| 63               | 92.80                | 122.10               | 151.40               | 170.90               | 202.60               | 285.60                |
| 64               | 97.30                | 132.90               | 159.00               | 180.40               | 216.00               | 303.80                |
| 65               | 104.40               | 144.80               | 175.70               | 201.80               | 239.70               | 344.20                |
| 66               | 113.60               | 153.00               | 187.70               | 213.20               | 254.90               | 368.50                |
| 67               | 117.60               | 162.80               | 196.70               | 226.10               | 271.40               | 393.50                |
| 68               | 125.00               | 168.90               | 208.40               | 236.90               | 287.40               | 416.80                |
| 69               | 128.30               | 177.40               | 220.20               | 252.20               | 303.50               | 442.50                |
| 70               | 136.70               | 187.20               | 231.40               | 267.20               | 321.90               | 475.40                |
| 71               | 145.70               | 199.80               | 245.60               | 285.10               | 345.50               | 509.90                |
| 72               | 152.30               | 210.00               | 259.40               | 302.60               | 368.50               | 545.60                |
| 73               | 158.80               | 222.00               | 274.90               | 319.70               | 391.00               | 582.40                |
| 74               | 167.10               | 231.60               | 288.00               | 336.30               | 412.80               | 618.20                |
| 75               | 201.40               | 283.90               | 356.40               | 418.90               | 521.60               | 801.50                |
| 76               | 204.80               | 289.40               | 364.20               | 429.20               | 537.50               | 832.80                |
| 77               | 207.00               | 296.10               | 373.50               | 439.20               | 555.30               | 864.90                |
| 78               | 209.10               | 298.50               | 378.30               | 448.70               | 568.50               | 895.50                |
| 79               | 207.30               | 298.80               | 382.80               | 453.80               | 580.80               | 920.70                |
| 80               | 207.20               | 300.70               | 388.80               | 467.60               | N/A                  | N/A                   |
| 81               | 203.40               | 297.00               | 387.00               | 464.40               | N/A                  | N/A                   |
| 82               | 194.80               | 289.60               | 377.30               | 456.30               | N/A                  | N/A                   |
| 83               | 185.90               | 277.10               | 366.60               | 447.50               | N/A                  | N/A                   |
| 84               | 175.50               | 263.30               | 352.70               | 432.00               | N/A                  | N/A                   |
| 85               | 165.40               | 256.30               | 347.30               | 434.90               | N/A                  | N/A                   |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

**Integrated Plan HHC at 80%**  
**Lifetime Payment Plan**  
**90 day Elimination Period**  
**Married one insured rates**

**Form Number: SBIR-HMBSPA**  
**Indexing: Simple**  
**Individual Underwriting**  
**Rate Class II**

| <b>Issue Age</b> | <b>Premium Rates</b> |                      |                      |                      |                      |                       |
|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|                  | <b>24 Month Plan</b> | <b>36 Month Plan</b> | <b>48 Month Plan</b> | <b>60 Month Plan</b> | <b>84 Month Plan</b> | <b>Unlimited Plan</b> |
| 18-29            | 19.60                | 29.50                | 36.00                | 45.80                | 58.90                | 88.40                 |
| 30               | 22.90                | 32.70                | 39.30                | 49.10                | 58.90                | 91.70                 |
| 31               | 22.90                | 36.00                | 42.60                | 52.40                | 62.20                | 94.90                 |
| 32               | 26.20                | 36.00                | 49.10                | 52.40                | 68.70                | 101.50                |
| 33               | 26.20                | 39.30                | 49.10                | 58.90                | 68.70                | 108.00                |
| 34               | 29.50                | 39.30                | 52.40                | 62.20                | 75.30                | 114.60                |
| 35               | 32.70                | 39.30                | 55.70                | 62.20                | 78.60                | 117.90                |
| 36               | 32.70                | 49.10                | 58.90                | 65.50                | 81.80                | 124.40                |
| 37               | 36.00                | 49.10                | 62.20                | 68.70                | 85.10                | 131.00                |
| 38               | 36.00                | 52.40                | 65.50                | 75.30                | 91.70                | 134.20                |
| 39               | 36.00                | 55.70                | 68.70                | 78.60                | 94.90                | 140.80                |
| 40               | 39.30                | 58.90                | 72.00                | 81.80                | 101.50               | 153.90                |
| 41               | 45.80                | 62.20                | 75.30                | 88.40                | 101.50               | 160.40                |
| 42               | 45.80                | 65.50                | 81.80                | 91.70                | 108.00               | 170.20                |
| 43               | 49.10                | 65.50                | 81.80                | 98.20                | 114.60               | 180.10                |
| 44               | 55.70                | 72.00                | 88.40                | 98.20                | 117.90               | 186.60                |
| 45               | 53.70                | 72.70                | 85.40                | 98.00                | 120.10               | 192.80                |
| 46               | 55.90                | 77.60                | 90.00                | 105.60               | 130.40               | 198.70                |
| 47               | 54.90                | 79.30                | 94.50                | 109.80               | 134.10               | 204.30                |
| 48               | 59.90                | 74.80                | 95.80                | 110.70               | 137.70               | 209.50                |
| 49               | 61.40                | 81.90                | 99.50                | 117.00               | 140.40               | 216.50                |
| 50               | 61.20                | 84.50                | 102.00               | 122.40               | 148.60               | 227.30                |
| 51               | 66.50                | 89.60                | 107.00               | 130.10               | 156.10               | 237.10                |
| 52               | 66.00                | 91.80                | 114.80               | 132.00               | 163.50               | 246.70                |
| 53               | 68.30                | 96.80                | 119.50               | 139.50               | 170.80               | 256.20                |
| 54               | 70.60                | 98.80                | 127.10               | 144.00               | 177.90               | 265.40                |
| 55               | 76.20                | 107.30               | 135.50               | 155.30               | 192.00               | 288.00                |
| 56               | 80.60                | 108.40               | 136.20               | 155.60               | 191.70               | 291.80                |
| 57               | 82.40                | 112.50               | 140.00               | 162.00               | 197.60               | 302.00                |
| 58               | 83.70                | 116.10               | 145.80               | 167.40               | 205.20               | 310.50                |
| 59               | 88.00                | 120.00               | 149.30               | 173.30               | 213.30               | 322.60                |
| 60               | 96.00                | 130.60               | 162.60               | 189.30               | 232.00               | 349.30                |
| 61               | 98.30                | 137.10               | 168.20               | 196.70               | 240.60               | 362.30                |
| 62               | 100.80               | 143.60               | 173.90               | 204.10               | 249.50               | 378.00                |
| 63               | 105.00               | 144.00               | 180.70               | 209.90               | 256.30               | 388.20                |
| 64               | 109.20               | 151.90               | 185.20               | 216.00               | 265.90               | 398.80                |
| 65               | 113.90               | 159.00               | 199.40               | 232.60               | 284.90               | 432.00                |
| 66               | 118.20               | 164.50               | 206.30               | 238.70               | 294.30               | 447.30                |
| 67               | 122.10               | 169.60               | 212.60               | 246.50               | 305.30               | 463.60                |
| 68               | 125.00               | 173.30               | 217.20               | 252.30               | 313.70               | 476.00                |
| 69               | 126.10               | 177.40               | 222.30               | 260.80               | 320.60               | 491.60                |
| 70               | 130.40               | 183.00               | 229.30               | 269.30               | 332.40               | 513.30                |
| 71               | 135.30               | 189.40               | 237.30               | 281.00               | 347.60               | 537.00                |
| 72               | 137.90               | 195.60               | 245.00               | 290.30               | 362.30               | 557.90                |
| 73               | 140.50               | 199.60               | 252.50               | 299.30               | 374.70               | 580.30                |
| 74               | 143.00               | 205.40               | 259.80               | 308.10               | 386.60               | 602.10                |
| 75               | 171.20               | 245.70               | 314.10               | 376.60               | 479.30               | 765.20                |
| 76               | 169.30               | 246.10               | 315.00               | 378.00               | 484.30               | 779.60                |
| 77               | 168.30               | 245.70               | 317.30               | 379.30               | 491.50               | 797.20                |
| 78               | 167.30               | 245.30               | 317.50               | 382.20               | 494.30               | 811.80                |
| 79               | 164.30               | 242.80               | 315.60               | 381.00               | 500.50               | 825.40                |
| 80               | 163.20               | 242.10               | 317.20               | 388.80               | N/A                  | N/A                   |
| 81               | 156.60               | 235.80               | 313.20               | 383.40               | N/A                  | N/A                   |
| 82               | 149.20               | 228.20               | 303.60               | 373.80               | N/A                  | N/A                   |
| 83               | 141.10               | 216.90               | 294.30               | 364.90               | N/A                  | N/A                   |
| 84               | 133.30               | 204.20               | 281.80               | 351.00               | N/A                  | N/A                   |
| 85               | 122.40               | 196.80               | 276.20               | 353.90               | N/A                  | N/A                   |

**HIGHMARK BLUE SHIELD**  
**120 FIFTH AVENUE, PITTSBURGH, PENNSYLVANIA 15222**  
**Form Number: FSPL-336-HMBSPA**  
**ANNUAL PREMIUM RATES WITH RATE INCREASE**  
**PREMIUMS PER \$300 FACILITY MONTHLY BENEFIT**  
**LONG TERM CARE POLICIES**

Integrated Plan HHC at 80%  
Lifetime Payment Plan  
90 day Elimination Period  
Married one insured rates

Indexing: None  
Individual Underwriting  
Rate Class II

| Issue<br>Age | Premium Rates    |                  |                  |                  |                  |                   |
|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|              | 24 Month<br>Plan | 36 Month<br>Plan | 48 Month<br>Plan | 60 Month<br>Plan | 84 Month<br>Plan | Unlimited<br>Plan |
| 18-29        | 18.30            | 23.60            | 26.20            | 26.20            | 31.40            | 39.30             |
| 30           | 18.30            | 23.60            | 26.20            | 28.80            | 34.00            | 41.90             |
| 31           | 21.00            | 23.60            | 28.80            | 31.40            | 36.70            | 44.50             |
| 32           | 21.00            | 26.20            | 28.80            | 34.00            | 36.70            | 47.10             |
| 33           | 23.60            | 26.20            | 31.40            | 34.00            | 39.30            | 49.80             |
| 34           | 23.60            | 28.80            | 34.00            | 36.70            | 41.90            | 52.40             |
| 35           | 23.60            | 31.40            | 34.00            | 39.30            | 44.50            | 57.60             |
| 36           | 26.20            | 31.40            | 36.70            | 41.90            | 47.10            | 60.20             |
| 37           | 26.20            | 34.00            | 39.30            | 44.50            | 49.80            | 62.90             |
| 38           | 28.80            | 36.70            | 41.90            | 47.10            | 52.40            | 70.70             |
| 39           | 31.40            | 39.30            | 44.50            | 49.80            | 57.60            | 76.00             |
| 40           | 31.40            | 39.30            | 47.10            | 52.40            | 60.20            | 78.60             |
| 41           | 34.00            | 41.90            | 49.80            | 55.00            | 68.10            | 83.80             |
| 42           | 36.70            | 44.50            | 52.40            | 60.20            | 70.70            | 89.00             |
| 43           | 39.30            | 49.80            | 57.60            | 62.90            | 76.00            | 94.30             |
| 44           | 39.30            | 52.40            | 60.20            | 70.70            | 81.20            | 102.10            |
| 45           | 40.50            | 53.10            | 65.80            | 73.30            | 83.50            | 103.70            |
| 46           | 42.20            | 54.60            | 67.10            | 74.50            | 86.90            | 109.30            |
| 47           | 46.30            | 58.50            | 70.70            | 78.00            | 90.20            | 114.60            |
| 48           | 47.90            | 64.60            | 74.20            | 83.80            | 95.80            | 119.70            |
| 49           | 49.10            | 65.50            | 77.20            | 86.60            | 100.60           | 126.40            |
| 50           | 53.60            | 69.90            | 83.90            | 93.20            | 107.20           | 135.20            |
| 51           | 55.50            | 74.00            | 87.90            | 97.10            | 113.30           | 143.40            |
| 52           | 62.00            | 80.30            | 94.10            | 105.60           | 119.30           | 151.50            |
| 53           | 66.00            | 84.20            | 100.20           | 111.60           | 127.50           | 161.70            |
| 54           | 70.00            | 90.40            | 106.20           | 119.70           | 135.50           | 173.90            |
| 55           | 76.80            | 99.40            | 115.20           | 128.80           | 149.10           | 189.80            |
| 56           | 77.80            | 102.30           | 120.00           | 135.60           | 155.60           | 195.60            |
| 57           | 83.40            | 109.80           | 129.60           | 144.90           | 166.90           | 208.60            |
| 58           | 88.60            | 116.60           | 136.10           | 153.40           | 177.10           | 222.50            |
| 59           | 93.90            | 123.70           | 147.20           | 164.20           | 187.70           | 236.80            |
| 60           | 104.50           | 138.60           | 164.20           | 183.40           | 211.20           | 264.50            |
| 61           | 111.80           | 147.00           | 173.90           | 194.60           | 223.60           | 279.50            |
| 62           | 118.90           | 155.20           | 185.50           | 205.60           | 237.90           | 296.40            |
| 63           | 125.00           | 166.00           | 195.30           | 218.70           | 251.90           | 314.40            |
| 64           | 132.90           | 174.70           | 208.90           | 233.60           | 267.80           | 334.20            |
| 65           | 150.00           | 197.50           | 233.60           | 262.10           | 301.90           | 376.00            |
| 66           | 159.40           | 211.40           | 250.30           | 281.80           | 324.50           | 402.30            |
| 67           | 171.90           | 226.10           | 269.50           | 302.10           | 347.30           | 432.40            |
| 68           | 182.50           | 242.20           | 287.80           | 322.90           | 370.30           | 461.60            |
| 69           | 196.70           | 259.90           | 307.80           | 345.40           | 398.40           | 494.20            |
| 70           | 212.10           | 281.10           | 334.90           | 375.30           | 432.50           | 535.20            |
| 71           | 229.80           | 304.70           | 364.60           | 407.90           | 471.20           | 582.80            |
| 72           | 250.30           | 332.70           | 396.90           | 444.70           | 512.20           | 635.70            |
| 73           | 272.00           | 361.60           | 431.70           | 483.80           | 558.70           | 692.30            |
| 74           | 294.80           | 391.50           | 468.80           | 526.80           | 607.30           | 752.30            |
| 75           | 388.30           | 518.70           | 621.80           | 700.80           | 811.90           | 1,010.10          |
| 76           | 414.20           | 554.40           | 666.20           | 751.30           | 871.00           | 1,083.60          |
| 77           | 444.30           | 594.40           | 715.20           | 808.10           | 936.50           | 1,165.60          |
| 78           | 474.60           | 637.30           | 768.10           | 867.00           | 1,006.90         | 1,250.30          |
| 79           | 508.00           | 682.80           | 823.20           | 930.80           | 1,080.20         | 1,341.60          |
| 80           | 557.50           | 752.60           | 908.10           | 1,026.90         | N/A              | N/A               |
| 81           | 596.20           | 806.40           | 973.40           | 1,103.00         | N/A              | N/A               |
| 82           | 633.20           | 856.40           | 1,036.20         | 1,175.10         | N/A              | N/A               |
| 83           | 674.70           | 914.30           | 1,107.10         | 1,254.40         | N/A              | N/A               |
| 84           | 715.50           | 973.40           | 1,178.60         | 1,337.90         | N/A              | N/A               |
| 85           | 836.10           | 1,143.10         | 1,393.10         | 1,586.30         | N/A              | N/A               |

|                             |   |                          |                |                            |                          |
|-----------------------------|---|--------------------------|----------------|----------------------------|--------------------------|
| <b>SERFF Tracking #:</b>    | MILL-131545017  | <b>State Tracking #:</b> | MILL-131545017 | <b>Company Tracking #:</b> | SIMPLICITY (HIGHMARK BS) |
| <b>State:</b>               | Pennsylvania  | <b>Filing Company:</b>   | Highmark Inc   |                            |                          |
| <b>TOI/Sub-TOI:</b>         | LTC03I Individual Long Term Care/LTC03I.001 Qualified   |                          |                |                            |                          |
| <b>Product Name:</b>        | Long-Term Care  |                          |                |                            |                          |
| <b>Project Name/Number:</b> | MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07 |                          |                |                            |                          |

## Supporting Document Schedules

|                          |  |
|--------------------------|--|
| <b>Satisfied - Item:</b> | Transmittal Letter (A&H)                               |
| <b>Comments:</b>         |  |
| <b>Attachment(s):</b>    | PA_Cover Letter_Highmark BS_Simplicity_RS_20180815.pdf |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |

|                         |  |
|-------------------------|--|
| <b>Bypassed - Item:</b> | Actuarial Certification (A&H)                |
| <b>Bypass Reason:</b>   | Not applicable as this is not a form filing. |
| <b>Attachment(s):</b>   |  |
| <b>Item Status:</b>     |  |
| <b>Status Date:</b>     |  |

|                          |  |
|--------------------------|--|
| <b>Satisfied - Item:</b> | Actuarial Memorandum and Explanatory Information (A&H)   |
| <b>Comments:</b>         |  |
| <b>Attachment(s):</b>    | PA_Act Memo_Highmark BS_Simplicity_RS_20180815.pdf<br>PA_Supplement_Highmark BS_Simplicity_RS_20180815.pdf |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |

|                         |  |
|-------------------------|--|
| <b>Bypassed - Item:</b> | Advertisements (A&H)                         |
| <b>Bypass Reason:</b>   | Not applicable as this is not a form filing. |
| <b>Attachment(s):</b>   |  |
| <b>Item Status:</b>     |  |
| <b>Status Date:</b>     |  |

|                          |  |
|--------------------------|--|
| <b>Satisfied - Item:</b> | Authorization to File (A&H)                        |
| <b>Comments:</b>         |  |
| <b>Attachment(s):</b>    | 2016 Highmark Letter of Authorization_20160407.pdf |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |

|                         |  |
|-------------------------|--|
| <b>Bypassed - Item:</b> | Insert Page Explanation (A&H)                |
| <b>Bypass Reason:</b>   | Not applicable as this is not a form filing. |
| <b>Attachment(s):</b>   |  |
| <b>Item Status:</b>     |  |

|                             |   |                        |              |
|-----------------------------|---|------------------------|--------------|
| <b>State:</b>               | Pennsylvania  | <b>Filing Company:</b> | Highmark Inc |
| <b>TOI/Sub-TOI:</b>         | LTC03I Individual Long Term Care/LTC03I.001 Qualified   |                        |              |
| <b>Product Name:</b>        | Long-Term Care  |                        |              |
| <b>Project Name/Number:</b> | MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07 |                        |              |

|                          |  |
|--------------------------|--|
| <b>Status Date:</b>      |  |
| <b>Satisfied - Item:</b> | Rate Table (A&H)   |
| <b>Comments:</b>         | Rate tables are attached on the Rate/Rule Schedule tab.                |
| <b>Attachment(s):</b>    |  |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |
| <b>Bypassed - Item:</b>  | Replacement Form with Highlighted Changes (A&H)                        |
| <b>Bypass Reason:</b>    | Not applicable as this is not a form filing.                           |
| <b>Attachment(s):</b>    |  |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |
| <b>Bypassed - Item:</b>  | Reserve Calculation (A&H)  |
| <b>Bypass Reason:</b>    | Not applicable as this is not a form filing.                           |
| <b>Attachment(s):</b>    |  |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |
| <b>Bypassed - Item:</b>  | Variability Explanation (A&H)  |
| <b>Bypass Reason:</b>    | Not applicable as this is not a form filing.                           |
| <b>Attachment(s):</b>    |  |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |
| <b>Satisfied - Item:</b> | Numerical Data in Excel  |
| <b>Comments:</b>         |  |
| <b>Attachment(s):</b>    | PA_Supplement Attachments_Simplicity_RS_20180815.xlsb                  |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |
| <b>Satisfied - Item:</b> | Sample Policyholder Notification Letter                                |
| <b>Comments:</b>         |  |
| <b>Attachment(s):</b>    | S1 Highmark BS CNF 7.16.18.pdf<br>S1 Highmark BS PH Letter 7.16.18.pdf |
| <b>Item Status:</b>      |  |
| <b>Status Date:</b>      |  |

|                             |   |                        |              |
|-----------------------------|---|------------------------|--------------|
| <b>State:</b>               | Pennsylvania  | <b>Filing Company:</b> | Highmark Inc |
| <b>TOI/Sub-TOI:</b>         | LTC03I Individual Long Term Care/LTC03I.001 Qualified   |                        |              |
| <b>Product Name:</b>        | Long-Term Care  |                        |              |
| <b>Project Name/Number:</b> | MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07 |                        |              |

|                          |   |
|--------------------------|---|
| <b>Satisfied - Item:</b> | Claims and Administration Processing Plan |
| <b>Comments:</b>         |   |
| <b>Attachment(s):</b>    | MedAmerica Claims Procedures.pdf          |
| <b>Item Status:</b>      |   |
| <b>Status Date:</b>      |   |



|                             |   |                          |                |                            |                          |
|-----------------------------|---|--------------------------|----------------|----------------------------|--------------------------|
| <b>SERFF Tracking #:</b>    | MILL-131545017  | <b>State Tracking #:</b> | MILL-131545017 | <b>Company Tracking #:</b> | SIMPLICITY (HIGHMARK BS) |
| <b>State:</b>               | Pennsylvania  | <b>Filing Company:</b>   | Highmark Inc   |                            |                          |
| <b>TOI/Sub-TOI:</b>         | LTC03I Individual Long Term Care/LTC03I.001 Qualified   |                          |                |                            |                          |
| <b>Product Name:</b>        | Long-Term Care  |                          |                |                            |                          |
| <b>Project Name/Number:</b> | MedAmerica Nationwide 2018 Rate Increase/145MAI01-60.07 |                          |                |                            |                          |

***Attachment PA\_Supplement Attachments\_Simplicity\_RS\_20180815.xlsb is not a PDF document and cannot be reproduced here.***



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August 15, 2018

Honorable Jessica K. Altman  
Insurance Commissioner  
Pennsylvania Department of Insurance (Department)

*Via SERFF*

**Re: Highmark Blue Shield (Highmark BS)  
Company NAIC # 54771  
SERFF Tracking # MILL-131545017  
Tax-Qualified Long-Term Care Policy Form  
Tax-Qualified Franchise Long-Term Care Policy Form**

**SPL-336-HMBSPA  
FSPL-336-HMBSPA**

Dear Commissioner Altman:

On behalf of the company, we are submitting the referenced rate filing for your review. This is an existing individual product that provides long-term care coverage. The company issued this product in Pennsylvania from August 1, 2006 to April 1, 2010 and is no longer marketing it in any jurisdiction.

The company is requesting a premium rate increase on the above-listed form(s), including all associated riders. The need for a premium rate increase is due to emerging and projected experience running more adverse than previously expected.

These products were designed and priced by MedAmerica Insurance Company (MedAmerica), which is an affinity partner. The products were issued on Highmark BS paper, while MedAmerica administers and manages the block, including underwriting and claims handling. MedAmerica has 80% of the risk on these products via a reinsurance arrangement with Highmark BS.

Additionally, MedAmerica is making a similar request in a concurrent filing. These filings use identical pooled nationwide experience of MedAmerica and its affinity partners as described in the enclosed actuarial memorandum.

The company is requesting a premium rate increase that varies by issue age and inflation option to achieve the cumulative rate increases shown in Section 1 of the enclosed actuarial memorandum. The rate increase varies by issue age and inflation option to better align the rate increase with the adverse experience. The following table provides the average prior, requested, and cumulative rate increases by issue age and inflation option for the above-listed form(s).

Offices in Principal Cities Worldwide

This work product was prepared solely to provide assistance to MedAmerica. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends recipient be aided by its own actuary or other qualified professional when reviewing the Milliman work product.

**Pennsylvania – Highmark BS  
Average<sup>[1]</sup> Rate Increase Request**

| Issue Ages | Prior Increase | Requested Increase |                | Cumulative Increase |                |
|------------|----------------|--------------------|----------------|---------------------|----------------|
|            |                | No Inflation       | Auto Inflation | No Inflation        | Auto Inflation |
| <40        | 130.4%         | 26.3%              | 58.0%          | 191%                | 264%           |
| 40-44      | 124.7          | 29.5               | 62.0           | 191                 | 264            |
| 45-49      | 115.9          | 23.2               | 56.4           | 166                 | 238            |
| 50-54      | 110.2          | 21.3               | 51.5           | 155                 | 218            |
| 55-59      | 98.6           | 22.9               | 53.5           | 144                 | 205            |
| 60-64      | 85.8           | 17.0               | 52.7           | 117                 | 184            |
| 65-69      | 72.8           | 17.5               | 41.7           | 103                 | 145            |
| 70-74      | 62.7           | 12.5               | 41.4           | 83                  | 130            |
| 75+        | 44.0           | 21.5               | 41.4           | 75                  | 104            |
| Average    | 101.5          | 18.5               | 53.4           | 112                 | 211            |

*[1] As of December 31, 2017 and excludes policies assumed to be paid up prior to implementation of the requested rate increase.*

The prior increase reflects the cumulative increase of five prior increase(s) that were filed for use in June 2013, September 2014, July 2015, September 2016, and September 2017. The company is seeking this rate increase request to help alleviate the adverse performance on this block of business.

Similar to the prior increase(s), the company will offer insureds affected by the premium increase the option of reducing their policy benefits to provide flexibility of choice for those insureds who wish to maintain a premium level reasonably similar to what they were paying prior to the rate increase. The company will offer a contingent benefit upon lapse to insureds that trigger a substantial rate increase. Additionally, the company will voluntarily offer a contingent benefit upon lapse to insureds affected by the rate increase, even if the increase is not considered substantial. If the cumulative requested rate increase is filed for use, a majority of policyholders will be eligible for a contingent benefit upon lapse.

To comply with rate stability regulation in this jurisdiction, enclosed with this filing is a plan, subject to the Department's review, which demonstrates that appropriate administration and claims processing procedures are in effect.

The following electronic items are included with this submission:

- cover letter
- letter from the company authorizing submission of this filing on its behalf
- claims and administration processing plan, as provided by MedAmerica
- actuarial memorandum
- supplement to the actuarial memorandum
- current and proposed premium rate schedules
- sample policyholder notification letter\*

\*Please note that in the future slight variations in language may occur that do not materially change the information being provided to the policyholder. It is our understanding that such variations do not need to be filed with the Department.

No filing fee is required for this submission.



Honorable Jessica Altman  
8/15/2018

The contact person for this filing is:

Michael Emmert, ASA, MAAA  
Associate Actuary  
Milliman, Inc.  
8500 Normandale Lake Blvd., Suite 1850  
Minneapolis, MN 55437  
(952) 820-3116  
michael.emmert@milliman.com

Thank you for your assistance in reviewing this filing.

Respectfully,

A handwritten signature in blue ink that reads "Missy Gordon".

Missy Gordon, FSA, MAAA  
Principal and Consulting Actuary

MAG/dpl

Enclosures

**HIGHMARK BLUE SHIELD****Address:** 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222**Simplicity Actuarial Memorandum****August 15, 2018**Product

Tax-Qualified Long-Term Care Policy Form

Tax-Qualified Franchise Long-Term Care Policy Form

Number

SPL-336-HMBSPA

FSPL-336-HMBSPA

Highmark Blue Shield (Highmark BS) is requesting a rate increase on the above-listed policy form(s). The company issued this policy form(s) in Pennsylvania from August 2006 through April 2010 and is no longer marketing it in any jurisdiction. As described in the enclosed cover letter, the affinity partner MedAmerica Insurance Company (MedAmerica) designed, priced, administers, and manages the above-listed policy form(s).

Nationwide, MedAmerica and its affinity partners are requesting a premium rate increase that varies by issue age and inflation option to achieve the same cumulative rate increase, except where limited by regulatory restrictions. This actuarial memorandum captures the pooled nationwide experience of the above-listed policy form(s) and similar policy forms issued nationwide by MedAmerica and its affinity partners.

**1. Purpose of Filing**

This actuarial memorandum has been prepared for the purpose of demonstrating that the nationwide cumulative rate increase shown in the following table meets the minimum requirements of the applicable sections of the 2014 National Association of Insurance Commissioners (NAIC) Long-Term Care Insurance Model Regulation (Model Regulation). The enclosed supplement to the actuarial memorandum demonstrates compliance with the applicable regulatory requirements of this jurisdiction to the extent they differ from the Model Regulation, and includes other commonly requested information of this jurisdiction. It may not be suitable for other purposes.

**Cumulative Rate Increase**

| Issue Age | No Inflation | Auto Inflation | Issue Age | No Inflation | Auto Inflation |
|-----------|--------------|----------------|-----------|--------------|----------------|
| < 45      | 191%         | 264%           | 65        | 111%         | 164%           |
| 45        | 181          | 251            | 66        | 106          | 158            |
| 46        | 176          | 245            | 67        | 101          | 151            |
| 47        | 171          | 239            | 68        | 95           | 144            |
| 48        | 166          | 233            | 69        | 90           | 138            |
| 49        | 160          | 225            | 70        | 87           | 134            |
| 50        | 159          | 224            | 71        | 85           | 131            |
| 51        | 157          | 221            | 72        | 83           | 129            |
| 52        | 155          | 219            | 73        | 81           | 126            |
| 53        | 153          | 216            | 74        | 79           | 124            |
| 54        | 151          | 214            | 75        | 79           | 124            |
| 55        | 151          | 214            | 76        | 75           | 119            |
| 56        | 147          | 209            | 77        | 72           | 115            |
| 57        | 144          | 205            | 78        | 69           | 111            |
| 58        | 140          | 200            | 79        | 66           | 108            |
| 59        | 137          | 196            | 80        | 63           | 104            |
| 60        | 137          | 196            | 81        | 60           | 100            |
| 61        | 130          | 188            | 82        | 56           | 95             |
| 62        | 124          | 180            | 83        | 53           | 91             |
| 63        | 117          | 171            | 84        | 50           | 88             |
| 64        | 111          | 164            | 85        | 47           | 84             |

**2. Requested Rate Increase**

The company is requesting a rate increase that varies by issue age and inflation option to achieve the cumulative rate increases as shown above in Section 1. The company is seeking this current rate increase request to help alleviate the adverse performance on this block of business.

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The cumulative rate increase levels were determined to vary by issue age and inflation option to better align the rate increase with the adverse experience. MedAmerica's goal is equity across all jurisdictions, to the extent practical. The rate increase was determined in such a way that minimizes subsidization across jurisdictions due to differences in the previously filed rate increases.

The table below provides the average prior, requested, and cumulative increases by issue age band and inflation option based on the nationwide distribution of business. The enclosed cover letter provides similar information based on the jurisdiction-specific distribution.

**Nationwide Average<sup>[1]</sup> Rate Increase Request**

| Issue Ages | Prior Increase | Requested Increase |                | Cumulative Increase |                |
|------------|----------------|--------------------|----------------|---------------------|----------------|
|            |                | No Inflation       | Auto Inflation | No Inflation        | Auto Inflation |
| <40        | 106.1%         | 53.0%              | 74.9%          | 191%                | 264%           |
| 40-44      | 99.2           | 48.2               | 82.4           | 191                 | 264            |
| 45-49      | 90.5           | 37.4               | 77.2           | 169                 | 236            |
| 50-54      | 89.2           | 31.3               | 68.8           | 155                 | 218            |
| 55-59      | 83.6           | 29.6               | 66.3           | 143                 | 204            |
| 60-64      | 74.3           | 23.7               | 63.0           | 123                 | 181            |
| 65-69      | 59.1           | 23.7               | 61.2           | 101                 | 154            |
| 70-74      | 48.6           | 21.0               | 58.5           | 83                  | 130            |
| 75+        | 37.7           | 21.8               | 66.8           | 68                  | 120            |
| Average    | 79.2           | 27.3               | 67.9           | 122                 | 203            |

*[1] As of December 31, 2017 and excludes policies assumed to be paid up prior to implementation of the requested rate increase. The enclosed cover letter provides the jurisdiction-specific distribution.*

A larger cumulative rate increase is needed to certify that rates will remain stable under moderately adverse conditions. The company will continue to monitor the business and reserves the right to request additional rate increases in the future.

Corresponding rate tables reflecting the proposed rate increases for the policy form(s) affected by this rate increase are enclosed with this filing. Please note that the actual rates implemented may vary from those in the enclosed rate tables slightly due to implementation rounding algorithms.

As the company is not currently marketing new business, the required statement that the renewal premium rate schedules are not greater than the new business premium rate schedules is not applicable.

### **3. Description of Benefits**

This product provides long-term coverage on a cash basis. The product is tax qualified and was issued on an individual basis. It has benefit eligibility requirements that involve activities of daily living (ADL) deficiencies or cognitive impairment. Waiver of premium is provided when certain benefits are being paid. A monthly benefit, benefit period, and elimination period were selected at issue.

At issue, the insured may have had the option to choose one of three riders providing inflation protection: simple inflation, compound inflation with no maximum, or compound inflation with a maximum of two times the original benefit amount. The simple inflation option provides for benefit levels that increase on each anniversary date by 5% of the daily benefit amount chosen at issue for as long as the policy is in force. The compound inflation option with no maximum provides for benefit levels that increase on each anniversary date by 5% compounded annually for as long as the policy is in force. The compound inflation option with a maximum of two times the original benefit amount provides for benefit levels that increase on each anniversary date by 5% compounded annually while the policy is in force, but limits the increase to two times the original benefit amount. The increasing benefits apply even when the insured is in claim status.

The available choices for benefit period, elimination period, and inflation option are shown in Section 21.

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At issue the insured may have had the option of selecting riders that provide the following types of coverage: restoration of benefits, return of premium, shortened benefit period, shared care, shared waiver, or survivorship benefit. The insured may have had the option to select a lifetime, ten-year, paid up at age 65, reduced premiums at attained age 65, or reduced premiums at attained age 70 premium payment option.

A contingent benefit upon lapse (CBUL) will be available to all insureds at the time of the rate increase.

**4. Renewability**

These policies are guaranteed renewable for life.

**5. Applicability**

This rate increase applies to all policies issued on the above-listed form(s) in this jurisdiction. The rate changes will apply to the premium of the base form and all applicable options and riders associated with the base form.

**6. Actuarial Assumptions**

The following assumptions are used to project the experience shown in this filing.

- a. Morbidity reflects claim costs developed using the 2014 Milliman *Long-Term Care Guidelines (Guidelines)* with adjustments for underwriting selection, an all-lives exposure basis, and three years of retrospective improvement to bring the *Guidelines* forward to 2017. The claim costs were further adjusted based on historical claim experience by attained age, duration, payment type, and coverage type, to the extent credible. These adjustment factors can be found in Exhibit A-4a of Appendix A to this memorandum.
- b. Mortality Rates reflect the 1994 Group Annuitant Mortality (GAM) Static gender-distinct table with retrospective improvement applied to bring this table forward to 2017. These mortality rates are further adjusted based on historical mortality experience by issue age band and duration. The adjustment factors are shown in the following table.

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| Duration* | Mortality Durational Adjustment Factors |       |       |       |       |       |       |       |       |       |       |     |
|-----------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|
|           | Issue Age                               |       |       |       |       |       |       |       |       |       |       |     |
|           | <25                                     | 25-29 | 30-34 | 35-39 | 40-44 | 45-49 | 50-54 | 55-59 | 60-64 | 65-69 | 70-74 | 75+ |
| 1         | 25%                                     | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 25%   | 20% |
| 2         | 35                                      | 35    | 35    | 35    | 35    | 35    | 35    | 35    | 35    | 35    | 35    | 30  |
| 3         | 40                                      | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 40    | 45  |
| 4         | 43                                      | 43    | 43    | 43    | 43    | 43    | 43    | 43    | 44    | 45    | 45    | 50  |
| 5         | 46                                      | 46    | 46    | 46    | 46    | 46    | 46    | 46    | 48    | 50    | 50    | 55  |
| 6         | 49                                      | 49    | 49    | 49    | 49    | 49    | 49    | 49    | 52    | 55    | 55    | 60  |
| 7         | 52                                      | 52    | 52    | 52    | 52    | 52    | 52    | 52    | 56    | 60    | 60    | 65  |
| 8         | 55                                      | 55    | 55    | 55    | 55    | 55    | 55    | 55    | 60    | 65    | 65    | 70  |
| 9         | 56                                      | 56    | 56    | 56    | 56    | 56    | 56    | 56    | 61    | 68    | 69    | 76  |
| 10        | 57                                      | 57    | 57    | 57    | 57    | 57    | 57    | 57    | 62    | 71    | 73    | 82  |
| 11        | 58                                      | 58    | 58    | 58    | 58    | 58    | 58    | 58    | 63    | 74    | 77    | 88  |
| 12        | 59                                      | 59    | 59    | 59    | 59    | 59    | 59    | 59    | 64    | 77    | 81    | 94  |
| 13        | 60                                      | 60    | 60    | 60    | 60    | 60    | 60    | 60    | 65    | 80    | 85    | 100 |
| 14        | 62                                      | 62    | 62    | 62    | 62    | 62    | 62    | 62    | 69    | 82    | 88    | 101 |
| 15        | 64                                      | 64    | 64    | 64    | 64    | 64    | 64    | 64    | 73    | 84    | 91    | 102 |
| 16        | 66                                      | 66    | 66    | 66    | 66    | 66    | 66    | 66    | 77    | 86    | 94    | 103 |
| 17        | 68                                      | 68    | 68    | 68    | 68    | 68    | 68    | 68    | 81    | 88    | 97    | 104 |
| 18        | 70                                      | 70    | 70    | 70    | 70    | 70    | 70    | 70    | 85    | 90    | 100   | 105 |
| 23        | 70                                      | 70    | 70    | 70    | 70    | 70    | 70    | 85    | 90    | 100   | 105   | 105 |
| 28        | 70                                      | 70    | 70    | 70    | 70    | 70    | 85    | 90    | 100   | 105   | 105   | 105 |
| 33        | 70                                      | 70    | 70    | 70    | 70    | 85    | 90    | 100   | 105   | 105   | 105   | 105 |
| 38        | 70                                      | 70    | 70    | 70    | 85    | 90    | 100   | 105   | 105   | 105   | 105   | 105 |
| 43        | 70                                      | 70    | 70    | 85    | 90    | 100   | 105   | 105   | 105   | 105   | 105   | 105 |
| 48        | 70                                      | 70    | 85    | 90    | 100   | 105   | 105   | 105   | 105   | 105   | 105   | 105 |
| 53        | 70                                      | 85    | 90    | 100   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105 |
| 58        | 85                                      | 90    | 100   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105 |
| 63        | 90                                      | 100   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105 |
| 68        | 100                                     | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105 |
| 73+       | 105                                     | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105   | 105 |

\* The assumption varies by duration for 18+, but is shown every five years for display purposes.

- c. Voluntary Lapse Rates vary by policy duration and premium payment option. The lifetime-pay voluntary lapse rates are shown in the table below.

| Duration | Voluntary Lapse Rate |
|----------|----------------------|
| 1        | 8.00%                |
| 2        | 6.50                 |
| 3        | 5.00                 |
| 4        | 4.00                 |
| 5        | 3.50                 |
| 6        | 2.50                 |
| 7        | 2.25                 |
| 8        | 1.50                 |
| 9        | 0.75                 |
| 10+      | 0.60                 |

The voluntary lapse rates in the above table were adjusted based on the following criteria for the limited-pay options:

- For the ten-pay option, a reduction of 65% of the above lapse rates is assumed for durations one through four, a reduction of 70% of the above lapse rates is assumed for durations five through eight, and 0% lapse thereafter.



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- For the paid up at age 65 option, a reduction of 50% of the above lapse rates is assumed until age 55, a reduction of 75% of the above lapse rates is assumed for ages 55 to 59, and 0% lapse thereafter.
  - For the reduced after age 65 and reduced after age 70 payment options, a reduction of 50% of the above lapse rates is assumed until age 60 or 65, respectively, and a reduction of 75% of the above lapse rates thereafter.
- d. Benefit Expiry Rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the *Guidelines* with adjustments for historical benefit expiry experience and vary by gender, benefit period, and attained age as shown in the following table.

| Gender | Benefit Period in Years | Attained Age* |      |      |      |      |      |      |      |       |       |       |
|--------|-------------------------|---------------|------|------|------|------|------|------|------|-------|-------|-------|
|        |                         | <65           | 65   | 70   | 75   | 80   | 85   | 90   | 95   | 100   | 105   | 110+  |
| Female | 2                       | 0.0%          | 0.0% | 0.1% | 0.2% | 0.5% | 1.6% | 4.5% | 8.7% | 11.7% | 16.3% | 33.0% |
|        | 3                       | 0.0           | 0.0  | 0.1  | 0.1  | 0.4  | 1.2  | 3.4  | 6.9  | 9.7   | 15.0  | 33.0  |
|        | 4                       | 0.0           | 0.0  | 0.0  | 0.1  | 0.3  | 1.0  | 2.5  | 5.0  | 7.8   | 13.2  | 33.0  |
|        | 5                       | 0.0           | 0.0  | 0.0  | 0.1  | 0.2  | 0.7  | 1.7  | 3.8  | 6.3   | 11.2  | 33.0  |
|        | 7                       | 0.0           | 0.0  | 0.0  | 0.0  | 0.1  | 0.3  | 0.9  | 2.5  | 4.3   | 6.9   | 33.0  |
|        | Unlimited               | 0.0           | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   |
| Male   | 2                       | 0.0           | 0.0  | 0.1  | 0.1  | 0.3  | 1.0  | 2.5  | 4.3  | 5.4   | 7.3   | 33.0  |
|        | 3                       | 0.0           | 0.0  | 0.1  | 0.1  | 0.2  | 0.7  | 1.7  | 3.0  | 4.0   | 5.8   | 33.0  |
|        | 4                       | 0.0           | 0.0  | 0.0  | 0.1  | 0.1  | 0.4  | 1.1  | 2.0  | 2.8   | 4.6   | 33.0  |
|        | 5                       | 0.0           | 0.0  | 0.0  | 0.0  | 0.1  | 0.3  | 0.8  | 1.5  | 2.3   | 3.6   | 33.0  |
|        | 7                       | 0.0           | 0.0  | 0.0  | 0.0  | 0.0  | 0.1  | 0.3  | 1.0  | 1.7   | 2.1   | 33.0  |
|        | Unlimited               | 0.0           | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   |

\* The assumption varies by attained age, but is shown every five years for display purposes.

- e. Policyholder Behavior Due to the Rate Increase. At the time of a rate increase, insureds have the option to elect a CBUL or reduced benefit options (RBO). An increase in morbidity for adverse selection due to the rate increase based on the percentage of policies that elect CBUL and RBO is assumed.

Insureds who elect a CBUL are modeled as a lapse (i.e., the CBUL benefit is not modeled), which results in a slightly lower lifetime loss ratio than if the CBUL benefit had been modeled. The following table provides the CBUL and RBO election rates, reduction to premiums and benefits due to the impact of RBO elections, and increase in morbidity for lifetime-pay policies based on the varying cumulative rate increase levels. Limited-pay policies are assumed to not elect CBUL or RBO.

**Policyholder Behavior Assumptions<sup>[1]</sup>**

| Cumulative Rate Increase | CBUL Election Rate | RBO Election Rate | Approximate Reduction for RBO | Morbidity Increase for Adverse Selection |
|--------------------------|--------------------|-------------------|-------------------------------|--|
| 45 – 74.9%               | 8%                 | 10%               | 4%                            | 3.5%                                     |
| 75 – 99.9%               | 10                 | 15                | 8                             | 4.5                                      |
| 100 – 149.9%             | 11                 | 20                | 13                            | 5.5                                      |
| 150% +                   | 12                 | 25                | 19                            | 6.5                                      |

[1] The values shown are based on the average cumulative amounts found in Section 1. The assumption is applied on a seriatim basis and prorated for the requested increase needed to achieve the cumulative amounts in Section 1.

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- f. Interest Rate consistent with the maximum valuation interest rate applicable to the year of issue (ranges from 3.5% to 4.5% and averages 4.1%) is used to demonstrate compliance with the minimum loss ratio requirements.
- g. Annual Improvement in the mortality and morbidity assumptions is assumed for 15 years starting in 2018. Annual mortality improvement factors vary by attained age based on the G2 improvement scale from the 2012 Individual Annuity Mortality table. Annual morbidity improvement is assumed to be 1.0%.
- h. Expenses have not been explicitly projected. Originally filed expense assumptions are assumed to remain appropriate, except that reductions are made to the renewal commission rates so that the total commissions paid before and after any increase in premium are similar (i.e., commissions are not paid on the increased premium).

The above assumptions are based on the experience of the above-listed policy form(s) and similar forms issued by MedAmerica and its affinity partners and, where appropriate, other similar business, industry experience, and actuarial judgment. The above assumptions are deemed reasonable for the particular policy form(s) in this filing and are considered "most likely" (without explicit margin).

In establishing the assumptions described in this section, the policy design, underwriting, and claims adjudication practices for the above-referenced policy form(s) were taken into consideration. Appendix A to this memorandum provides a description of the development of and justification for the assumptions used in this filing.

The company is not currently marketing long-term care products. As a result, the requirement to reflect on any assumptions that deviate from those used for pricing other forms currently available for sale is not applicable.

**7. Marketing Method**

Agents and brokers of the company marketed this product.

**8. Underwriting Description**

Policies were fully underwritten. The company used various underwriting tools in addition to the application, which may have included medical records, an attending physician's statement, prescription screen, telephone interview, and/or face-to-face assessment. Employer sponsored groups were eligible for reduced underwriting for actively at work employees age 65 and less.

**9. Premiums**

Premiums are unisex and payable for life unless the insured selected a limited premium payment option. The premiums may vary by issue age, benefit period, initial monthly benefit, community care level, elimination period, inflation option, premium payment option, underwriting rate category, marital discounts, employer sponsored/multi-life discounts, and the selection of any riders.

**10. Issue Age Range**

Issue ages are from 18 to 85.

**11. Area Factors**

Area factors are not used for this product.

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**12. Premium Modalization Rules**

The following modal factors and percent distributions (based on the nationwide in-force count as of December 31, 2017) are applied to the annual premium (AP):

| <b>Premium Mode</b> | <b>Modal Factors</b> | <b>Percent Distribution</b> |
|---------------------|----------------------|-----------------------------|
| Annual              | 1.00*AP              | 45%                         |
| Semi-Annual         | 0.52*AP              | 7                           |
| Quarterly           | 0.26*AP              | 26                          |
| Monthly             | 0.09*AP              | 22                          |

**13. Reserves**

Active life reserves and reserves for the election of a CBUL have not been used in the experience exhibits for this rate increase analysis. Claim reserves as of December 31, 2017 have been discounted to the incurral date of each respective claim and included in historical incurred claims. An incurred but not reported (IBNR) reserve balance as of December 31, 2017 has been allocated to the 2017 calendar year and included in historical incurred claims.

**14. Trend Assumptions**

As this is not medical insurance, an explicit medical cost trend is not included in the projections.

**15. Demonstration of Satisfaction of Loss Ratio Requirements**

This filing uses pooled nationwide experience of the above-listed form(s) and similar policy forms issued nationwide by MedAmerica and its affinity partners. The pooled experience is appropriate because the products issued are identical, the marketing and distribution employed is similar, and the same company (MedAmerica) administers and manages the entire block (including underwriting and claims handling). MedAmerica has 50% to 100% of the risk of the affinity partner forms via reinsurance arrangements with each affinity partner.

Exhibit I provides actual and projected experience using current assumptions. Actual experience is provided from inception through 2017 and then projected on a seriatim basis for 60 years using the current assumptions described above in Section 6. The actual and projected experience is based on nationwide premiums that reflect prior rate increases filed for use between 2012 and April 2018, which average 79% across all jurisdictions. The after increase projected experience reflects the additional increase needed to achieve the cumulative increases shown in Section 1 on a seriatim basis.

Values in Exhibit I are shown (a) before and (b) after the nationwide requested rate increase. Included are calendar year earned premiums, incurred claims, end of year lives, annual loss ratios, and cumulative loss ratios. As shown in Exhibit I-b, the anticipated lifetime loss ratio with the nationwide requested rate increase exceeds the minimum loss ratio required by pre-rate stability regulation.

The following table demonstrates that the lifetime loss ratios by issue age and inflation option also exceed the minimum loss ratio required by pre-rate stability regulation. The final row corresponds to that shown in Exhibit I.

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**Lifetime Loss Ratios at the Maximum Valuation  
Interest Rate by Issue Age and Inflation Option**

| <b>Inflation Option</b> | <b>Issue Age Band</b> | <b>Before Increase</b> | <b>After Increase</b> |
|-------------------------|-----------------------|------------------------|-----------------------|
| All                     | <45                   | 156%                   | 120%                  |
| All                     | 45-49                 | 135                    | 105                   |
| All                     | 50-54                 | 118                    | 94                    |
| All                     | 55-59                 | 104                    | 84                    |
| All                     | 60-64                 | 85                     | 71                    |
| All                     | 65-69                 | 81                     | 70                    |
| All                     | 70-74                 | 91                     | 84                    |
| All                     | 75+                   | 82                     | 80                    |
| No Inflation            | All                   | 84                     | 77                    |
| Auto Inflation          | All                   | 115                    | 91                    |
| All                     | All                   | 109                    | 89                    |

Exhibit II provides a demonstration that the nationwide requested rate increase meets the 58%/85% test required by post-rate stability regulation. This exhibit shows that the sum of the accumulated value of incurred claims without the inclusion of active life reserves, and the present value of projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

1. Accumulated value of the initial earned premium times 58%,
2. 85% of the accumulated value of prior premium rate schedule increases,
3. Present value of projected initial earned premium times 58%, and
4. 85% of the present value of projected premium in excess of the projected initial earned premium.

While the majority of policies subject to this rate increase are eligible for a CBUL, an alternative version of the 58%/85% test is not provided per rate stability regulation, as the original pricing lifetime loss ratio of 57% is not greater than 58%.

The projected incurred claims in Exhibit II were increased by 15% from the current assumptions described in Section 6 to reflect assumptions that include moderately adverse conditions.

**16. Actual-to-Expected Experience**

The following table provides a comparison of actual and projected experience using current assumptions to that expected using original pricing assumptions. Values in the following table are shown (a) before and (b) after the nationwide requested rate increase.

**Actual and Expected Loss Ratios by Issue Age and Inflation Option**

| <b>Inflation Option</b> | <b>Issue Age Band</b> | <b>Lifetime Loss Ratio</b> |                       |                 | <b>Actual-to-Expected</b> |                       |
|-------------------------|-----------------------|----------------------------|-----------------------|-----------------|---------------------------|-----------------------|
|                         |                       | <b>Before Increase</b>     | <b>After Increase</b> | <b>Expected</b> | <b>Before Increase</b>    | <b>After Increase</b> |
| All                     | <45                   | 122%                       | 96%                   | 60%             | 2.04                      | 1.60                  |
| All                     | 45-49                 | 112                        | 89                    | 61              | 1.83                      | 1.44                  |
| All                     | 50-54                 | 101                        | 82                    | 60              | 1.69                      | 1.36                  |
| All                     | 55-59                 | 92                         | 75                    | 57              | 1.62                      | 1.32                  |
| All                     | 60-64                 | 77                         | 65                    | 53              | 1.45                      | 1.22                  |
| All                     | 65-69                 | 76                         | 67                    | 55              | 1.38                      | 1.21                  |
| All                     | 70-74                 | 88                         | 82                    | 56              | 1.57                      | 1.47                  |
| All                     | 75+                   | 80                         | 79                    | 49              | 1.64                      | 1.61                  |
| No Inflation            | All                   | 78                         | 71                    | 49              | 1.60                      | 1.47                  |
| Auto Inflation          | All                   | 98                         | 79                    | 59              | 1.66                      | 1.33                  |
| All                     | All                   | 95                         | 78                    | 57              | 1.65                      | 1.36                  |

Actual and projected experience in the above table is identical to that described in Exhibit I, except uses the current most-likely interest rate assumption of 5.00%. This rate represents MedAmerica's

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expectation of its long-term investment earnings rate, which is supported by the average net investment earnings rate projected for MedAmerica's cash flow testing.

Expected experience uses the actual policies sold and projects from issue on a seriatim basis using the original pricing assumptions.

Exhibit III provides a comparison of the current and original pricing assumptions that underlie the actual and expected experience described above.

**17. History of Previous Rate Revisions**

Please see the enclosed cover letter, which provides the jurisdiction-specific average prior rate increase and rate history for the above-listed form(s).

Nationwide, there have been two prior rate increase requests on this block of business, which began in December 2012. Departments of insurance filed these increases for use between 2012 and 2017. As the goal of achieving similar cumulative rate increases across all jurisdictions is ongoing, additional increases have also been filed for use in 2018. On average, a cumulative increase of 79% has been filed for use on this block of business.

**18. Analysis Performed to Consider a Rate Increase**

The experience table in Section 16 above demonstrates that experience has been more adverse from that expected using original pricing assumptions as the A:E loss ratios exceeds 1.0. The adverse experience is due to a combination of higher morbidity, higher persistency, and lower interest.

The following table provides a comparison of actual and projected nationwide experience to that expected in pricing with respect to morbidity, mortality, lapse (combination of voluntary lapse and benefit expiry), interest, and improvement. The current and original pricing assumptions are provided in Exhibit III. Please note that to isolate the impact of each changed assumption from pricing, the experience in the table below has been restated to reflect no prior rate increases.

**Impact of Changing from Pricing to Current Assumptions**

| <b>Scenario</b>  | <b>Lifetime Loss Ratio (LLR)</b> | <b>Incremental Impact on the LLR<sup>[1]</sup></b> | <b>Increase Needed<sup>[2]</sup></b> |
|--|----------------------------------|--|--------------------------------------|
| Original pricing assumptions   | 57%                              | N/A  | N/A                                  |
| Historical experience through 2017 & projections with pricing assumptions                                | 63                               | 9%   | 47%                                  |
| Historical experience through 2017 & projections with pricing assumptions except for current:            |                                  |  |                                      |
| Interest   | 78                               | 24   | 105                                  |
| Interest, lapse  | 85                               | 10   | 40                                   |
| Interest, lapse, mortality   | 105                              | 23   | 86                                   |
| Interest, lapse, mortality, morbidity  | 126                              | 20   | 73                                   |
| Interest, lapse, mortality, morbidity, improvement   | 119                              | -5   | -20                                  |
| Historical experience through 2017 & projections with all current most-likely assumptions <sup>[3]</sup> | 119                              | 107  | 394                                  |

<sup>[1]</sup> Calculated as the ratio of the lifetime loss ratio in a given row to that in the row immediately above it less one.

<sup>[2]</sup> Shows the rate increase needed to reproduce the lifetime loss ratio in the row immediately above it. Calculated without regard to CBUL, RBO, adverse selection, and higher waiver claims due to the needed rate increase.

<sup>[3]</sup> This row is calculated in regards to the pricing lifetime loss ratio of 57%.

This rate increase request is a follow-up to the 2012 nationwide rate increase request. It is intended to achieve a rate increase level which the company believes is needed to alleviate the adverse performance on this block of business. As a part of the 2012 nationwide request, the company certified that rates would remain stable under moderately adverse experience (MAE) if the rate increase was approved as requested. The certification required that experience deteriorate past the company's threshold for MAE, which was defined as a lifetime loss ratio of 85%.

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Section 16 demonstrates that the 'All' lifetime loss ratio before the requested rate increase using current assumptions has deteriorated beyond the 85% lifetime loss ratio threshold, and as a result additional rate increases could be considered.

A comparison of the current assumptions used in this filing and the assumptions used in the 2012 nationwide request is provided in Exhibit IV.

**19. Average Annual Premium in Pennsylvania (Based on December 31, 2017 In-Force)**

The number of insureds and the corresponding average annual premium that will be affected by this and the identical, concurrent rate increase filings are shown in the table(s) below. The values provided in the table(s) below exclude policies assumed to be paid up prior to implementation of the requested rate increase, and the annualized premium reflects all rate increases filed for use as of April 12, 2018.

**Pennsylvania – MedAmerica**

| <b>Inflation Option</b> | <b>Issue Age Band</b> | <b>Number of Insureds</b> | <b>Before Increase Premium</b> | <b>After Requested Increase Premium</b> |
|-------------------------|-----------------------|---------------------------|--------------------------------|---|
| All                     | <40                   | 15                        | \$1,903                        | \$2,997                                 |
| All                     | 40-44                 | 20                        | 1,889                          | 2,998                                   |
| All                     | 45-49                 | 43                        | 2,527                          | 3,905                                   |
| All                     | 50-54                 | 74                        | 2,681                          | 4,012                                   |
| All                     | 55-59                 | 61                        | 3,207                          | 4,804                                   |
| All                     | 60-64                 | 38                        | 3,627                          | 5,394                                   |
| All                     | 65-69                 | 19                        | 5,122                          | 6,935                                   |
| All                     | 70-74                 | 11                        | 6,100                          | 7,367                                   |
| All                     | 75+                   | 1                         | 3,568                          | 4,262                                   |
| No Inflation            | All                   | 56                        | 2,596                          | 3,071                                   |
| Auto Inflation          | All                   | 226                       | 3,228                          | 4,924                                   |
| All                     | All                   | 282                       | 3,102                          | 4,556                                   |

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**Pennsylvania – Highmark Blue Cross Blue Shield**

| <b>Inflation Option</b> | <b>Issue Age Band</b> | <b>Number of Insureds</b> | <b>Before Increase Premium</b> | <b>After Requested Increase Premium</b> |
|-------------------------|-----------------------|---------------------------|--------------------------------|---|
| All                     | <40                   | 35                        | \$981                          | \$1,537                                 |
| All                     | 40-44                 | 34                        | 1,830                          | 2,959                                   |
| All                     | 45-49                 | 56                        | 2,586                          | 4,026                                   |
| All                     | 50-54                 | 95                        | 3,547                          | 5,363                                   |
| All                     | 55-59                 | 107                       | 4,016                          | 6,095                                   |
| All                     | 60-64                 | 52                        | 3,566                          | 5,468                                   |
| All                     | 65-69                 | 9                         | 4,625                          | 6,507                                   |
| All                     | 70-74                 | 0                         | 0                              | 0                                       |
| All                     | 75+                   | 1                         | 5,645                          | 6,861                                   |
| No Inflation            | All                   | 34                        | 1,151                          | 1,404                                   |
| Auto Inflation          | All                   | 355                       | 3,385                          | 5,193                                   |
| All                     | All                   | 389                       | 3,189                          | 4,862                                   |

**Pennsylvania – Highmark Blue Shield**

| <b>Inflation Option</b> | <b>Issue Age Band</b> | <b>Number of Insureds</b> | <b>Before Increase Premium</b> | <b>After Requested Increase Premium</b> |
|-------------------------|-----------------------|---------------------------|--------------------------------|---|
| All                     | <40                   | 29                        | \$779                          | \$1,228                                 |
| All                     | 40-44                 | 21                        | 1,706                          | 2,764                                   |
| All                     | 45-49                 | 57                        | 2,277                          | 3,560                                   |
| All                     | 50-54                 | 103                       | 2,363                          | 3,573                                   |
| All                     | 55-59                 | 91                        | 2,830                          | 4,323                                   |
| All                     | 60-64                 | 49                        | 3,246                          | 4,887                                   |
| All                     | 65-69                 | 7                         | 3,091                          | 4,140                                   |
| All                     | 70-74                 | 3                         | 4,553                          | 5,991                                   |
| All                     | 75+                   | 1                         | 3,395                          | 4,126                                   |
| No Inflation            | All                   | 22                        | 1,550                          | 1,838                                   |
| Auto Inflation          | All                   | 339                       | 2,516                          | 3,859                                   |
| All                     | All                   | 361                       | 2,457                          | 3,735                                   |

**20. Proposed Effective Date**

This rate increase will apply to policies on their next premium payment date following at least a 60-day policyholder notification period following being filed for use by the department of insurance, but no sooner than 12 months after the prior rate increase was effective.

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**21. Distribution of Business as of December 31, 2017 (Based on Nationwide In-Force Insured Count)**

| <b>Issue Ages</b> | <b>Percent Distribution</b> |
|-------------------|-----------------------------|
| <40               | 7%                          |
| 40-44             | 8                           |
| 45-49             | 13                          |
| 50-54             | 21                          |
| 55-59             | 25                          |
| 60-64             | 16                          |
| 65-69             | 7                           |
| 70-74             | 3                           |
| 75+               | <1                          |

| <b>Elimination Period</b> | <b>Percent Distribution</b> |
|---------------------------|-----------------------------|
| 30-Day                    | 22%                         |
| 60-Day                    | 13                          |
| 90-Day                    | 65                          |
| 180-Day                   | <1                          |

| <b>Benefit Period</b> | <b>Percent Distribution</b> |
|-----------------------|-----------------------------|
| 2-Year                | 10%                         |
| 3-Year                | 31                          |
| 4-Year                | 18                          |
| 5-Year                | 21                          |
| 7-Year                | 11                          |
| Lifetime              | 9                           |

| <b>Inflation Option</b> | <b>Percent Distribution</b> |
|-------------------------|-----------------------------|
| None                    | 23%                         |
| Simple for Life         | 28                          |
| Compound for Life       | 17                          |
| Compound with 2x Max    | 32                          |

| <b>Premium Payment Option</b> | <b>Percent Distribution</b> |
|-------------------------------|-----------------------------|
| Ten-Pay                       | 13%                         |
| Pay to Age 65                 | 4                           |
| Reduced at Age 70             | 0                           |
| Reduced at Age 65             | <1                          |
| Lifetime-Pay                  | 83                          |

| <b>Coverage Type</b> | <b>Percent Distribution</b> |
|----------------------|-----------------------------|
| Facility Only        | 3%                          |
| Comprehensive        | 95                          |
| Home Health Only     | 2                           |



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**22. Number of Insureds and Annualized Premium (Based on December 31, 2017 In-Force)**

The number of insureds and annualized premium that will be affected by this and the identical, concurrent rate increase filings are shown in the tables below. The values provided in the tables below exclude policies assumed to be paid up prior to implementation of the requested rate increase, and the annualized premium reflects all rate increases filed for use as of April 12, 2018.

**Pennsylvania – MedAmerica**

| <b>Inflation Option</b> | <b>Issue Age Band</b> | <b>Number of Insureds</b> | <b>Annualized Premium</b> |
|-------------------------|-----------------------|---------------------------|---------------------------|
| All                     | <40                   | 15                        | \$28,547                  |
| All                     | 40-44                 | 20                        | 37,771                    |
| All                     | 45-49                 | 43                        | 108,659                   |
| All                     | 50-54                 | 74                        | 198,412                   |
| All                     | 55-59                 | 61                        | 195,620                   |
| All                     | 60-64                 | 38                        | 137,825                   |
| All                     | 65-69                 | 19                        | 97,311                    |
| All                     | 70-74                 | 11                        | 67,102                    |
| All                     | 75+                   | 1                         | 3,568                     |
| No Inflation            | All                   | 56                        | 145,377                   |
| Auto Inflation          | All                   | 226                       | 729,438                   |
| All                     | All                   | 282                       | 874,815                   |

**Pennsylvania – Highmark Blue Cross Blue Shield**

| <b>Inflation Option</b> | <b>Issue Age Band</b> | <b>Number of Insureds</b> | <b>Annualized Premium</b> |
|-------------------------|-----------------------|---------------------------|---------------------------|
| All                     | <40                   | 35                        | \$34,327                  |
| All                     | 40-44                 | 34                        | 62,235                    |
| All                     | 45-49                 | 56                        | 144,816                   |
| All                     | 50-54                 | 95                        | 336,928                   |
| All                     | 55-59                 | 107                       | 429,675                   |
| All                     | 60-64                 | 52                        | 185,455                   |
| All                     | 65-69                 | 9                         | 41,623                    |
| All                     | 70-74                 | 0                         | 0                         |
| All                     | 75+                   | 1                         | 5,645                     |
| No Inflation            | All                   | 34                        | 39,149                    |
| Auto Inflation          | All                   | 355                       | 1,201,555                 |
| All                     | All                   | 389                       | 1,240,704                 |

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| <b>Inflation Option</b> | <b>Issue Age Band</b> | <b>Number of Insureds</b> | <b>Annualized Premium</b> |
|-------------------------|-----------------------|---------------------------|---------------------------|
| All                     | <40                   | 29                        | \$22,601                  |
| All                     | 40-44                 | 21                        | 35,832                    |
| All                     | 45-49                 | 57                        | 129,772                   |
| All                     | 50-54                 | 103                       | 243,364                   |
| All                     | 55-59                 | 91                        | 257,559                   |
| All                     | 60-64                 | 49                        | 159,066                   |
| All                     | 65-69                 | 7                         | 21,637                    |
| All                     | 70-74                 | 3                         | 13,659                    |
| All                     | 75+                   | 1                         | 3,395                     |
| No Inflation            | All                   | 22                        | 34,110                    |
| Auto Inflation          | All                   | 339                       | 852,775                   |
| All                     | All                   | 361                       | 886,885                   |

**Nationwide**

| <b>Inflation Option</b> | <b>Issue Age Band</b> | <b>Number of Insureds</b> | <b>Annualized Premium</b> |
|-------------------------|-----------------------|---------------------------|---------------------------|
| All                     | <40                   | 1,051                     | \$1,275,683               |
| All                     | 40-44                 | 1,030                     | 1,874,165                 |
| All                     | 45-49                 | 1,761                     | 3,954,028                 |
| All                     | 50-54                 | 2,898                     | 7,900,537                 |
| All                     | 55-59                 | 3,486                     | 10,559,703                |
| All                     | 60-64                 | 2,406                     | 8,309,561                 |
| All                     | 65-69                 | 1,084                     | 4,209,907                 |
| All                     | 70-74                 | 402                       | 1,745,730                 |
| All                     | 75+                   | 71                        | 415,329                   |
| No Inflation            | All                   | 3,426                     | 7,772,727                 |
| Auto Inflation          | All                   | 10,763                    | 32,471,916                |
| All                     | All                   | 14,189                    | 40,244,643                |

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**23. Actuarial Certification**

I am a Principal and Consulting Actuary for Milliman, Inc. and retained by MedAmerica to render an opinion with regard to long-term care insurance rates. I am a member of the American Academy of Actuaries. I meet the Academy's qualification standards to render this actuarial opinion and am familiar with the requirements for filing long-term care insurance premiums and rate increases.

This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including Actuarial Standards of Practice No. 8, "Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits" and 18, "Long-Term Care Insurance".

I hereby certify that, to the best of my knowledge and judgment, this rate submission is in compliance with the applicable laws and regulations of this jurisdiction and the rules of this department of insurance.

In my opinion, the rates are not excessive or unfairly discriminatory, and bear reasonable relationship to the benefits based on the loss ratio standards of this jurisdiction.

This filing will enhance premium adequacy, but may not be sufficient to prevent future rate action. Additional rate increases are needed to certify that rates will remain stable under moderately adverse conditions.

In forming my opinion, I have used actuarial assumptions and actuarial methods (which gave consideration to policy design, underwriting, and claim adjudication) and such tests of the actuarial calculations as I considered necessary. Based on these assumptions, or statutory requirements where necessary, this premium rate filing is in compliance with the loss ratio standards of this jurisdiction.

I have relied on data and information provided by MedAmerica to develop this memorandum, including but not limited to management's view of when a rate change may be considered, policy design, underwriting and claim adjudication process, seriatim in-force data, claim data, and the company's long-term earnings rate. I have not audited or independently verified the data and information provided, but have reviewed it for reasonableness.

The basis for contract reserves has been previously filed and there is no anticipation of any changes.



Missy Gordon, FSA, MAAA  
Principal and Consulting Actuary

Date: August 15, 2018

**Exhibit I-a**  
**MedAmerica and Affinity Partners**  
**Actual and Projected Experience by Calendar Year**  
**Nationwide Experience Before Requested Rate Increase**  
**Individual Simplicity Policy Forms**

|   | Calendar Year | Actual or Projected Experience<br>using Current Assumptions |                             |   |                               | Cumulative LR<br>with Interest                              |
|---|---------------|---|-----------------------------|---|-------------------------------|---|
|   |               | A<br><br>Earned<br>Premium                                  | B<br><br>Incurred<br>Claims | C = B / A<br><br>Incurred<br>Loss Ratio | D<br><br>End of Year<br>Lives | E<br><br>Actual<br>(Column C)<br>with Max.<br>Val. Interest |
| Historical<br>Experience                        | 2004          | 1,944,200   | 299,291                     | 15%                                     | 3,084                         | 15%   |
|   | 2005          | 11,092,060  | 704,251                     | 6%                                      | 8,665                         | 8%  |
|   | 2006          | 21,603,215  | 127,091                     | 1%                                      | 16,066                        | 3%  |
|   | 2007          | 32,555,284  | 1,345,984                   | 4%                                      | 20,865                        | 4%  |
|   | 2008          | 37,076,500  | 2,657,405                   | 7%                                      | 21,433                        | 5%  |
|   | 2009          | 36,623,997  | 2,007,154                   | 5%                                      | 20,618                        | 5%  |
|   | 2010          | 35,876,337  | 3,496,980                   | 10%                                     | 20,165                        | 6%  |
|   | 2011          | 35,545,109  | 4,686,403                   | 13%                                     | 19,804                        | 7%  |
|   | 2012          | 35,553,440  | 5,101,770                   | 14%                                     | 19,770                        | 8%  |
|   | 2013          | 36,436,419  | 7,251,547                   | 20%                                     | 19,561                        | 9%  |
|   | 2014          | 37,240,178  | 12,095,718                  | 32%                                     | 18,836                        | 12%   |
|   | 2015          | 36,318,541  | 9,972,838                   | 27%                                     | 18,267                        | 13%   |
|   | 2016          | 33,877,266  | 13,665,626                  | 40%                                     | 17,174                        | 15%   |
| Projected<br>Future<br>Experience<br>(60 Years) | 2017          | 31,107,537  | 12,402,091                  | 40%                                     | 16,313                        | 16%   |
|   | 2018          | 32,992,323  | 12,123,644                  | 37%                                     | 15,478                        | 17%   |
|   | 2019          | 34,852,859  | 13,250,552                  | 38%                                     | 15,210                        | 18%   |
|   | 2020          | 34,458,684  | 14,671,027                  | 43%                                     | 14,952                        | 20%   |
|   | 2021          | 33,693,074  | 16,379,324                  | 49%                                     | 14,684                        | 21%   |
|   | 2022          | 32,662,975  | 18,435,845                  | 56%                                     | 14,403                        | 22%   |
|   | 2023          | 31,475,437  | 20,778,990                  | 66%                                     | 14,107                        | 24%   |
|   | 2024          | 30,424,541  | 23,433,576                  | 77%                                     | 13,796                        | 25%   |
|   | 2025          | 29,420,080  | 26,319,865                  | 89%                                     | 13,470                        | 27%   |
|   | 2026          | 28,393,001  | 29,462,423                  | 104%                                    | 13,129                        | 29%   |
|   | 2027          | 27,355,532  | 32,932,151                  | 120%                                    | 12,773                        | 31%   |
|   | 2028          | 26,269,167  | 36,763,223                  | 140%                                    | 12,403                        | 33%   |
|   | 2029          | 25,154,097  | 40,914,484                  | 163%                                    | 12,018                        | 36%   |
|   | 2030          | 24,053,864  | 45,304,037                  | 188%                                    | 11,618                        | 38%   |
|   | 2031          | 22,922,243  | 49,884,933                  | 218%                                    | 11,204                        | 41%   |
|   | 2032          | 21,779,102  | 54,539,303                  | 250%                                    | 10,777                        | 44%   |
|   | 2033          | 20,632,077  | 59,525,852                  | 289%                                    | 10,335                        | 47%   |
|   | 2034          | 19,445,402  | 64,714,155                  | 333%                                    | 9,878                         | 50%   |
|   | 2035          | 18,260,759  | 69,722,877                  | 382%                                    | 9,408                         | 53%   |
|   | 2036          | 17,071,116  | 74,416,289                  | 436%                                    | 8,927                         | 57%   |
|   | 2037          | 15,872,542  | 78,716,057                  | 496%                                    | 8,437                         | 60%   |
|   | 2038          | 14,674,808  | 82,470,443                  | 562%                                    | 7,942                         | 63%   |
|   | 2039          | 13,507,892  | 85,459,558                  | 633%                                    | 7,444                         | 67%   |
|   | 2040          | 12,365,592  | 87,596,382                  | 708%                                    | 6,948                         | 70%   |
|   | 2041          | 11,258,675  | 88,824,560                  | 789%                                    | 6,456                         | 73%   |
|   | 2042          | 10,190,584  | 89,228,976                  | 876%                                    | 5,972                         | 76%   |
|   | 2043          | 9,172,386   | 88,854,993                  | 969%                                    | 5,500                         | 79%   |
|   | 2044          | 8,208,519   | 87,816,529                  | 1,070%                                  | 5,042                         | 82%   |
|   | 2045          | 7,304,353   | 86,081,653                  | 1,178%                                  | 4,603                         | 85%   |
|   | 2046          | 6,463,951   | 83,669,170                  | 1,294%                                  | 4,184                         | 88%   |
|   | 2047          | 5,687,659   | 80,665,904                  | 1,418%                                  | 3,787                         | 90%   |
|   | 2048          | 4,979,137   | 77,199,785                  | 1,550%                                  | 3,413                         | 92%   |
|   | 2049          | 4,336,032   | 73,408,666                  | 1,693%                                  | 3,065                         | 94%   |
|   | 2050          | 3,758,181   | 69,456,131                  | 1,848%                                  | 2,742                         | 96%   |
|   | 2051          | 3,240,991   | 65,416,097                  | 2,018%                                  | 2,444                         | 98%   |
|   | 2052          | 2,783,314   | 61,311,901                  | 2,203%                                  | 2,171                         | 99%   |
|   | 2053          | 2,380,439   | 57,152,348                  | 2,401%                                  | 1,922                         | 100%  |
|   | 2054          | 2,027,360   | 53,044,327                  | 2,616%                                  | 1,696                         | 102%  |
|   | 2055          | 1,720,880   | 48,988,550                  | 2,847%                                  | 1,492                         | 103%  |
|   | 2056          | 1,455,817   | 44,973,487                  | 3,089%                                  | 1,308                         | 104%  |
|   | 2057          | 1,227,480   | 40,951,956                  | 3,336%                                  | 1,144                         | 104%  |
|   | 2058-2062     | 3,720,220   | 151,964,834                 | 4,085%                                  | 3,820                         | 107%  |
|   | 2063-2067     | 1,458,303   | 81,594,299                  | 5,595%                                  | 1,783                         | 108%  |
|   | 2068-2072     | 534,317   | 36,013,982                  | 6,740%                                  | 760                           | 109%  |
|   | 2073-2077     | 184,357   | 13,408,215                  | 7,273%                                  | 288                           | 109%  |

**With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest**

|          |             |               |      |
|----------|-------------|---------------|------|
| History  | 549,530,443 | 89,286,905    | 16%  |
| Future   | 425,329,021 | 973,615,608   | 229% |
| Lifetime | 974,859,464 | 1,062,902,513 | 109% |

**Exhibit I-b**  
**MedAmerica and Affinity Partners**  
**Actual and Projected Experience by Calendar Year**  
**Nationwide Experience After Requested Rate Increase**  
**Individual Simplicity Policy Forms**

|   |                  | Actual or Projected Experience<br>using Current Assumptions |                             |   |                               | Cumulative LR<br>with Interest                              |
|---|------------------|---|-----------------------------|---|-------------------------------|---|
|   | Calendar<br>Year | A<br><br>Earned<br>Premium                                  | B<br><br>Incurred<br>Claims | C = B / A<br><br>Incurred<br>Loss Ratio | D<br><br>End of Year<br>Lives | E<br><br>Actual<br>(Column C)<br>with Max.<br>Val. Interest |
| Historical<br>Experience                        | 2004             | 1,944,200   | 299,291                     | 15%                                     | 3,084                         | 15%   |
|   | 2005             | 11,092,060  | 704,251                     | 6%                                      | 8,665                         | 8%  |
|   | 2006             | 21,603,215  | 127,091                     | 1%                                      | 16,066                        | 3%  |
|   | 2007             | 32,555,284  | 1,345,984                   | 4%                                      | 20,865                        | 4%  |
|   | 2008             | 37,076,500  | 2,657,405                   | 7%                                      | 21,433                        | 5%  |
|   | 2009             | 36,623,997  | 2,007,154                   | 5%                                      | 20,618                        | 5%  |
|   | 2010             | 35,876,337  | 3,496,980                   | 10%                                     | 20,165                        | 6%  |
|   | 2011             | 35,545,109  | 4,686,403                   | 13%                                     | 19,804                        | 7%  |
|   | 2012             | 35,553,440  | 5,101,770                   | 14%                                     | 19,770                        | 8%  |
|   | 2013             | 36,436,419  | 7,251,547                   | 20%                                     | 19,561                        | 9%  |
|   | 2014             | 37,240,178  | 12,095,718                  | 32%                                     | 18,836                        | 12%   |
|   | 2015             | 36,318,541  | 9,972,838                   | 27%                                     | 18,267                        | 13%   |
|   | 2016             | 33,877,266  | 13,665,626                  | 40%                                     | 17,174                        | 15%   |
| Projected<br>Future<br>Experience<br>(60 Years) | 2017             | 31,107,537  | 12,402,091                  | 40%                                     | 16,313                        | 16%   |
|   | 2018             | 32,992,323  | 12,123,644                  | 37%                                     | 15,478                        | 17%   |
|   | 2019             | 40,354,669  | 12,963,104                  | 32%                                     | 14,504                        | 18%   |
|   | 2020             | 45,307,316  | 13,963,255                  | 31%                                     | 14,197                        | 19%   |
|   | 2021             | 45,952,627  | 15,483,757                  | 34%                                     | 13,844                        | 20%   |
|   | 2022             | 46,131,079  | 17,320,369                  | 38%                                     | 13,568                        | 21%   |
|   | 2023             | 44,280,688  | 19,493,131                  | 44%                                     | 13,290                        | 22%   |
|   | 2024             | 42,782,315  | 21,962,247                  | 51%                                     | 12,999                        | 23%   |
|   | 2025             | 41,409,184  | 24,645,538                  | 60%                                     | 12,693                        | 24%   |
|   | 2026             | 39,994,609  | 27,565,489                  | 69%                                     | 12,374                        | 26%   |
|   | 2027             | 38,589,035  | 30,787,329                  | 80%                                     | 12,041                        | 27%   |
|   | 2028             | 37,110,616  | 34,341,212                  | 93%                                     | 11,693                        | 29%   |
|   | 2029             | 35,586,067  | 38,190,177                  | 107%                                    | 11,332                        | 31%   |
|   | 2030             | 34,086,855  | 42,259,604                  | 124%                                    | 10,957                        | 33%   |
|   | 2031             | 32,543,487  | 46,506,255                  | 143%                                    | 10,569                        | 35%   |
|   | 2032             | 30,985,168  | 50,819,535                  | 164%                                    | 10,168                        | 37%   |
|   | 2033             | 29,420,635  | 55,446,772                  | 188%                                    | 9,753                         | 39%   |
|   | 2034             | 27,792,914  | 60,262,295                  | 217%                                    | 9,324                         | 42%   |
|   | 2035             | 26,164,117  | 64,912,084                  | 248%                                    | 8,883                         | 44%   |
|   | 2036             | 24,524,764  | 69,270,432                  | 282%                                    | 8,431                         | 47%   |
|   | 2037             | 22,863,989  | 73,265,275                  | 320%                                    | 7,971                         | 50%   |
|   | 2038             | 21,196,612  | 76,754,739                  | 362%                                    | 7,505                         | 52%   |
|   | 2039             | 19,570,850  | 79,536,140                  | 406%                                    | 7,037                         | 55%   |
|   | 2040             | 17,971,084  | 81,530,469                  | 454%                                    | 6,570                         | 58%   |
|   | 2041             | 16,418,060  | 82,688,408                  | 504%                                    | 6,107                         | 60%   |
|   | 2042             | 14,912,723  | 83,080,997                  | 557%                                    | 5,651                         | 63%   |
|   | 2043             | 13,472,120  | 82,754,040                  | 614%                                    | 5,206                         | 65%   |
|   | 2044             | 12,102,170  | 81,815,215                  | 676%                                    | 4,775                         | 67%   |
|   | 2045             | 10,811,080  | 80,235,168                  | 742%                                    | 4,360                         | 69%   |
|   | 2046             | 9,605,437   | 78,027,591                  | 812%                                    | 3,964                         | 71%   |
|   | 2047             | 8,487,205   | 75,270,830                  | 887%                                    | 3,589                         | 73%   |
|   | 2048             | 7,460,985   | 72,083,138                  | 966%                                    | 3,237                         | 75%   |
|   | 2049             | 6,524,514   | 68,591,928                  | 1,051%                                  | 2,907                         | 77%   |
|   | 2050             | 5,678,677   | 64,944,127                  | 1,144%                                  | 2,601                         | 78%   |
|   | 2051             | 4,917,833   | 61,209,693                  | 1,245%                                  | 2,319                         | 79%   |
|   | 2052             | 4,240,578   | 57,408,336                  | 1,354%                                  | 2,061                         | 81%   |
|   | 2053             | 3,640,965   | 53,548,373                  | 1,471%                                  | 1,825                         | 82%   |
|   | 2054             | 3,112,568   | 49,730,020                  | 1,598%                                  | 1,611                         | 83%   |
|   | 2055             | 2,650,974   | 45,953,866                  | 1,733%                                  | 1,417                         | 83%   |
|   | 2056             | 2,249,432   | 42,209,493                  | 1,876%                                  | 1,243                         | 84%   |
|   | 2057             | 1,901,634   | 38,450,949                  | 2,022%                                  | 1,087                         | 85%   |
|   | 2058-2062        | 5,789,271   | 142,774,618                 | 2,466%                                  | 3,631                         | 87%   |
|   | 2063-2067        | 2,274,656   | 76,669,075                  | 3,371%                                  | 1,695                         | 88%   |
|   | 2068-2072        | 833,428   | 33,744,022                  | 4,049%                                  | 722                           | 88%   |
|   | 2073-2077        | 289,147   | 12,523,126                  | 4,331%                                  | 273                           | 89%   |

**With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest**

|          |               |             |      |
|----------|---------------|-------------|------|
| History  | 549,530,443   | 89,286,905  | 16%  |
| Future   | 578,824,822   | 910,513,152 | 157% |
| Lifetime | 1,128,355,265 | 999,800,057 | 89%  |

**Exhibit II**  
**Demonstration that the Requested Cumulative Rate Increase Passes the 58%/85% Loss Ratio Minimum**  
**MedAmerica and Affinity Partners' Combined Nationwide Experience with Prior Approved Increases**  
**Individual Simplicity Policy Forms**

|          |   |             |   |     |   |                      |
|----------|---|-------------|---|-----|---|----------------------|
| 1        | Accumulated value of initial earned premium   | 528,897,380 | x | 58% | = | 306,760,480          |
| 2a       | Accumulated value of earned premium   | 549,530,443 |   |     |   |                      |
| 2b       | Accumulated value of prior premium rate schedule increases (2a - 1)                                   | 20,633,064  | x | 85% | = | 17,538,104           |
| 3        | Present value of future projected initial earned premium  | 196,006,620 | x | 58% | = | 113,683,840          |
| 4a       | Present value of future projected premium   | 578,824,822 |   |     |   |                      |
| 4b       | Present value of future projected premium in excess of the projected initial earned premiums (4a - 3) | 382,818,202 | x | 85% | = | 325,395,471          |
| <b>5</b> | <b>Lifetime Earned Premium Times Prescribed Factor: Sum of 1, 2b, 3, and 4b</b>                       |             |   |     |   | <b>763,377,895</b>   |
| 6a       | Accumulated value of incurred claims without the inclusion of active life reserves                    |             |   |     |   | 89,286,905           |
| 6b       | Present value of future projected incurred claims without the inclusion of active life reserves       |             |   |     |   | 1,047,090,124        |
| <b>7</b> | <b>Lifetime Incurred Claims with Rate Increase: Sum 6a and 6b</b>                                     |             |   |     |   | <b>1,136,377,029</b> |
| 8        | Test: 7 is not less than 5  |             |   |     |   | Pass                 |

*All values are accumulated or discounted at the maximum valuation interest rate for contract reserves applicable for the year of issue, which ranges from 3.5% to 4.5%.*

*Future projected initial earned premium schedule (i.e., without the requested rate increase) reflects the assumed impact of CBUL and RBO.*

*The future projected incurred claims (item 6b) were increased by 15% to reflect assumptions with moderately adverse experience.*

**Exhibit III**  
**MedAmerica and Affinity Partners**  
**Comparison of Current and Original Pricing Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Original Pricing Assumptions**

**Mortality**

1994 Group Annuitant Mortality (GAM) Static gender-distinct table with retrospective improvement applied to bring this table forward to 2017. These mortality rates are further adjusted based on historical mortality experience by issue age band and duration. Tables providing these adjustment factors are provided in Section 6 of the actuarial memorandum.

1983 GAM Table without selection was assumed in all jurisdictions except for in California where the 1994 GAM Table was used.

**Lapse Rates**

Voluntary lapse rates vary by duration and premium payment option and were developed based on historical experience for Simplicity and Simplicity ii individual policies issued by MedAmerica and its affinity partners.

Lapse rates vary by duration, premium payment option, and issue age.

| Duration | Lifetime-Pay<br>Voluntary<br>Lapse Rates |
|----------|--|
| 1        | 8.00%                                    |
| 2        | 6.50%                                    |
| 3        | 5.00%                                    |
| 4        | 4.00%                                    |
| 5        | 3.50%                                    |
| 6        | 2.50%                                    |
| 7        | 2.25%                                    |
| 8        | 1.50%                                    |
| 9        | 0.75%                                    |
| 10+      | 0.60%                                    |

For the 10-pay option, a reduction of 65% of these lapse rates was assumed for durations 1 to 4, a reduction of 70% of these lapse rates was assumed for durations 5 to 8, and 0% lapse thereafter. For the paid up at 65 option, a reduction of 50% of these lapse rates was assumed until age 55, a reduction of 75% of these lapse rates for ages 55 to 59, and 0% lapse thereafter. For the reduced after 65 and reduced after 70 pay options, a reduction of 50% of these lapse rates was assumed until age 60 or 65, respectively, and a reduction of 75% of these lapse rates after the reduction of premiums.

**Lifetime-Pay Lapse Rates**

| Duration | Issue Age Band |       |       |       |       |       |
|----------|----------------|-------|-------|-------|-------|-------|
|          | <60            | 60-64 | 65-69 | 70-74 | 75-79 | 80+   |
| 1        | 10.0%          | 11.0% | 12.0% | 12.0% | 12.0% | 12.0% |
| 2        | 7.0%           | 7.0%  | 7.0%  | 6.0%  | 4.0%  | 2.0%  |
| 3        | 5.0%           | 4.0%  | 3.0%  | 3.0%  | 3.0%  | 2.0%  |
| 4        | 3.0%           | 3.0%  | 2.0%  | 2.0%  | 2.0%  | 2.0%  |
| 5        | 3.0%           | 2.0%  | 2.0%  | 2.0%  | 2.0%  | 2.0%  |
| 6+       | 2.0%           | 2.0%  | 2.0%  | 2.0%  | 2.0%  | 2.0%  |

For the 10-year payment option, a reduction of 50% of these lapse rates was assumed for durations 1 to 5, and 0% lapse thereafter. For the paid up at age 65 option, a reduction of 50% of these lapse rates was assumed until age 60, and 0% lapse thereafter. For the reduced after age 65 and reduced after age 70 payment options, a reduction of 50% of these lapse rates was assumed until age 60 or 65, respectively, and a reduction of 75% of these lapse rates was assumed after the reduction of premiums.

**Exhibit III**  
**MedAmerica and Affinity Partners**  
**Comparison of Current and Original Pricing Assumptions**  
**Individual Simplicity Policy Forms**

| Current Assumptions  | Original Pricing Assumptions  |
|--|---|
| Benefit Expiry Rates   |   |
| <p>Benefit expiry rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the 2014 Milliman <i>Long-Term Care Guidelines (Guidelines)</i> with adjustments for historical benefit expiry experience, and vary by gender, benefit period, and attained age. A table containing the benefit expiry rates is provided in Section 6 of the actuarial memorandum.</p>   | <p>Benefit expiry was not separated from the lapse assumption.</p>  |
| Morbidity  |   |
| <p>Expected claim costs are developed using the 2014 <i>Guidelines</i> with adjustments for underwriting selection, all-lives exposure basis, and three years of retrospective improvement to bring the <i>Guidelines</i> forward to 2017. The claim costs were further adjusted based on historical claim experience by attained age, duration, payment type, and coverage type, to the extent credible. These adjustment factors can be found in Exhibit A-4a of Appendix A of the actuarial memorandum.</p> | <p>Original expected claim costs were developed using the 2002 <i>Guidelines</i> with best-estimate (with no explicit margin) adjustments for an all-lives exposure basis. The claim costs were further adjusted based on MedAmerica's available experience at the time.</p>  |
| Interest Rate  |   |
| <p>The current most-likely earnings rate assumption is 5.00%. This rate represents MedAmerica's expectation of its long-term investment earnings rate, which is supported by the average net investment earnings rate projected for MedAmerica's cash flow testing.</p>  | <p>In all jurisdictions except California, an original earnings rate assumption of 6.5% was assumed for issue ages less than 60, decreasing by 12.5 basis points for each age over 59 and less than 75. For example, at issue age 65 the assumed rate was 5.75%. For issue ages 75 and over, 4.5% was assumed. In California, 5.25% was assumed for all issue ages.</p> |
| <p>The maximum valuation interest rate applicable to the year of issue ranges from 3.5% to 4.5% and averages 4.1%.</p>   |   |
| Improvement  |   |
| <p>Annual improvement in the mortality and morbidity assumptions is assumed for 15 years starting in 2018. Annual mortality improvement factors vary by attained age based on the G2 improvement scale from the 2012 Individual Annuity Mortality table. Annual morbidity improvement is assumed to be 1.0%.</p>   | <p>No mortality improvement was assumed. Morbidity improvement of 1.0% was assumed for 20 years for both females and males.</p>   |



**Exhibit IV**  
**MedAmerica and Affinity Partners**  
**Comparison of Current and 2012 Nationwide Rate Increase Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Mortality**

1994 Group Annuitant Mortality (GAM) Static gender-distinct table with retrospective improvement applied to bring this table forward to 2017. These mortality rates are further adjusted based on historical mortality experience by issue age band and duration. Tables providing these adjustment factors are provided in Section 6 of the actuarial memorandum.

**2012 Nationwide Rate Increase Assumptions**

1994 GAM Table adjusted by gender using durational factors which reflect the impact of both mortality selection and improvement. The durational adjustment factors were developed for MAPA; MAPA's two sister companies, MAFL and MANY (MAPA, MAFL, and MANY collectively referred to as MedAmerica); and MedAmerica's affinity partners based on historical experience from inception through December 31, 2011 on all policy forms, except the recently priced FlexCare policy form.

| Duration  | Durational Factor |        |
|-----------|-------------------|--------|
|           | Male              | Female |
| <b>1</b>  | 25%               | 25%    |
| <b>2</b>  | 40%               | 40%    |
| <b>3</b>  | 45%               | 45%    |
| <b>4</b>  | 47%               | 48%    |
| <b>5</b>  | 50%               | 51%    |
| <b>6</b>  | 52%               | 54%    |
| <b>7</b>  | 55%               | 57%    |
| <b>8</b>  | 57%               | 60%    |
| <b>9</b>  | 61%               | 63%    |
| <b>10</b> | 64%               | 66%    |
| <b>11</b> | 68%               | 69%    |

| Duration   | Durational Factor |        |
|------------|-------------------|--------|
|            | Male              | Female |
| <b>12</b>  | 71%               | 72%    |
| <b>13</b>  | 75%               | 75%    |
| <b>14</b>  | 76%               | 77%    |
| <b>15</b>  | 78%               | 80%    |
| <b>16</b>  | 79%               | 82%    |
| <b>17</b>  | 81%               | 84%    |
| <b>18</b>  | 82%               | 86%    |
| <b>19</b>  | 83%               | 89%    |
| <b>20</b>  | 85%               | 91%    |
| <b>21+</b> | 86%               | 93%    |

**Exhibit IV**  
**MedAmerica and Affinity Partners**  
**Comparison of Current and 2012 Nationwide Rate Increase Assumptions**  
**Individual Simplicity Policy Forms**

**Current Assumptions**

**Lapse Rates**

Voluntary lapse rates vary by duration and premium payment option and were developed based on historical experience for Simplicity and Simplicity ii individual policies issued by MedAmerica and its affinity partners.

| Duration | Lifetime-Pay Voluntary Lapse Rates |
|----------|------------------------------------|
| 1        | 8.00%                              |
| 2        | 6.50%                              |
| 3        | 5.00%                              |
| 4        | 4.00%                              |
| 5        | 3.50%                              |
| 6        | 2.50%                              |
| 7        | 2.25%                              |
| 8        | 1.50%                              |
| 9        | 0.75%                              |
| 10+      | 0.60%                              |

For the 10-pay option, a reduction of 65% of these lapse rates was assumed for durations 1 to 4, a reduction of 70% of these lapse rates was assumed for durations 5 to 8, and 0% lapse thereafter. For the paid up at 65 option, a reduction of 50% of these lapse rates was assumed until age 55, a reduction of 75% of these lapse rates for ages 55 to 59, and 0% lapse thereafter. For the reduced after 65 and reduced after 70 pay options, a reduction of 50% of these lapse rates was assumed until age 60 or 65, respectively, and a reduction of 75% of these lapse rates after the reduction of premiums.

**2012 Nationwide Rate Increase Assumptions**

Lapse rates vary by duration, premium payment option, and issue age, and were developed based on historical experience for Simplicity and Simplicity ii individual policies issued by MedAmerica and its affinity partners from inception through December 31, 2011.

| Lifetime-Pay Lapse Rates |                |       |       |       |
|--------------------------|----------------|-------|-------|-------|
| Duration                 | Issue Age Band |       |       |       |
|                          | <40            | 40-49 | 50-59 | 60+   |
| 1                        | 16.00%         | 9.00% | 5.50% | 5.75% |
| 2                        | 16.00%         | 9.00% | 4.75% | 4.75% |
| 3                        | 11.00%         | 5.50% | 4.00% | 3.50% |
| 4                        | 7.00%          | 4.50% | 3.00% | 3.00% |
| 5                        | 5.00%          | 3.50% | 2.75% | 2.25% |
| 6                        | 3.00%          | 2.00% | 2.00% | 1.75% |
| 7+                       | 1.50%          | 1.50% | 1.50% | 1.50% |

For the 10-pay option, a reduction of 50% of these lapse rates is assumed for durations 1 to 5, and 0% lapse thereafter. For the paid up at 65 option, a reduction of 50% of these lapse rates is assumed until age 60, and 0% lapse thereafter. For the reduced after 65 and reduced after 70 pay options, a reduction of 50% of these lapse rates is assumed until age 60 or 65, respectively, and a reduction of 75% of these lapse rates is assumed after the reduction of premiums.

**Benefit Expiry Rates**

Benefit expiry rates reflect assumed policy termination due to exhaustion of benefits on limited benefit period policies. The rates are based on the 2014 Milliman *Long-Term Care Guidelines (Guidelines)* with adjustments for historical benefit expiry experience, and vary by gender, benefit period, and attained age. A table containing the benefit expiry rates is provided in Section 6 of the actuarial memorandum.

Benefit expiry was not separated from the lapse assumption.

**Exhibit IV**  
**MedAmerica and Affinity Partners**  
**Comparison of Current and 2012 Nationwide Rate Increase Assumptions**  
**Individual Simplicity Policy Forms**

| Current Assumptions   | 2012 Nationwide Rate Increase Assumptions |
|---|---|
| <p style="text-align: center;"><b>Morbidity</b></p> <p>Expected claim costs are developed using the 2014 <i>Guidelines</i> with adjustments for underwriting selection, all-lives exposure basis, and three years of retrospective improvement to bring the <i>Guidelines</i> forward to 2017. The claim costs were further adjusted based on historical claim experience by attained age, duration, payment type, and coverage type, to the extent credible. These adjustment factors can be found in Exhibit A-4a of Appendix A of the actuarial memorandum.</p>  |   |
| <p style="text-align: center;"><b>Interest Rate</b></p> <p>The current most-likely earnings rate assumption is 5.00%. This rate represents MedAmerica's expectation of its long-term investment earnings rate, which is supported by the average net investment earnings rate projected for MedAmerica's cash flow testing.</p> <p>The maximum valuation interest rate applicable to the year of issue ranges from 3.5% to 4.5% and averages 4.1%.</p>  |   |
| <p style="text-align: center;"><b>Improvement</b></p> <p>Annual improvement in the mortality and morbidity assumptions is assumed for 15 years starting in 2018. Annual mortality improvement factors vary by attained age based on the G2 improvement scale from the 2012 Individual Annuity Mortality table. Annual morbidity improvement is assumed to be 1.0%.</p>  |   |
| <p>Expected claim costs are the original pricing claim costs, adjusted to an all-lives exposure base. The claim costs are further adjusted based on historical claim experience on a durational basis, to the extent credible.</p> <p>The prior earnings rate assumption was 5.25%.</p> <p>No mortality improvement was assumed; however, the ultimate mortality level was determined by assuming mortality improvement of 1.0% for males and 0.5% for females for 15 years. Embedded in the original pricing claim costs is a morbidity improvement assumption of 1.0% per year for 20 years for both females and males.</p> |   |

## **Appendix A**

### **Development and Justification of Current Assumptions**

Milliman developed the current actuarial assumptions used in this filing.

The persistency and morbidity assumptions were developed using historical experience. Where actual experience had low credibility or did not exist, industry experience and actuarial judgement was also used. The experience used to develop these assumptions includes historical experience of MedAmerica Insurance Company (MAPA); MAPA's two sister companies, MedAmerica Insurance Company of Florida (MAFL) and MedAmerica Insurance Company of New York (MANY) (MAPA, MAFL, and MANY collectively referred to as MedAmerica); and MedAmerica's affinity partners that issued the same products and, where appropriate, other similar business. For persistency, policy termination experience through December 31, 2015 was used. For morbidity, claim experience through June 30, 2016 was used with six months of runout.

Improvement (mortality and morbidity) was developed based on individual annuitant or industry experience, along with actuarial judgment. The rate increase dependent assumptions were developed using historical experience, and actuarial judgement where experience had low credibility or did not exist.

Predictive analytics was used in the development of the morbidity assumption. The persistency assumption utilized traditional techniques and credibility measures.

The rest of this appendix provides details on the development and justification of the current assumptions.

#### ***Persistency***

The assumptions for mortality and lifetime-pay voluntary lapse were developed based on detailed historical experience through December 31, 2015 for MedAmerica's organic (including affinity partners) and acquired business. For the acquired business, experience prior to acquisition was excluded as it predates MedAmerica's administration of the block. The assumptions for limited-pay voluntary lapse were developed based on experience through March 31, 2015.

The benefit expiry assumption was developed using the 2014 Milliman *Long-Term Care Guidelines (Guidelines)* with adjustments based on MedAmerica's actual benefit expiry experience through December 31, 2015 on its organic business.

#### ***Mortality Durational Factors***

Exhibit A-1a supports the mortality assumption and provides the following information for all companies and products (both individual and group) combined, but separately for issue age bands (i) 75 and older, (ii) 70 to 74, (iii) 65 to 69, and (iv) 60 to 64:

- Exposure that reflects a full year of exposure for each death and the length of time a covered life is exposed to the risk of death during the year for each life that does not die.
- Mortality rates for actual, expected, and an additional standard table for comparison. All of these rates were brought forward to 2015 for consistency with the basis of the expected table by applying mortality improvement factors that reflect annual improvement of 0.5% for females and 1.0% for males.

Actual mortality rates equal the number of deaths divided by exposure. The number of deaths includes a scalar to capture improvement between the year of death and 2015. For example, if 10 males died in 2010, then the number of deaths (10) would be multiplied by 5 years of improvement (0.951).

2015GAM mortality rates equal 94GAM with 21 years of improvement, which results in scalars of 90% for females and 81% for males. These are the expected mortality rates to which the factors in Section 6 of the actuarial memorandum are applied.

2015IAM is equal to 2012 Individual Annuity Mortality (2012IAM) Period standard table mortality rates with 3 years of improvement (scalars of 98.5% for females and 97% for males).

- Ratios of actual and standard table mortality rates to the 2015GAM expected (A:E) mortality rates.
- Credibility percentage based on the number of deaths (with improvement scalars described above) and the credibility measure described at the end of this appendix.
- A:E ratio that is credibility weighted with the two standard table options for a complement.
- Smoothed durational factors that correspond to that shown in Section 6 of the actuarial memorandum.

## Appendix A

### Development and Justification of Current Assumptions

We developed the smoothed factors by issue age band and duration. We started with the older issue ages to develop an ultimate factor and then worked backward to younger issue age bands, making experience adjustments for the first 20 durations. In developing these experience adjustments, we considered the A:E ratios, level of credibility, whether in the select or ultimate period, and A:E credibility-weighted ratios.

An ultimate level of 105% of 2015GAM was assumed based on the combined experience of issue ages 70 and older for attained ages older than 95 to the extent credible. For the first 20 durations, the factors were pegged for the mid-point of a quinquennial durational band and then interpolated in between to develop smoothed factors. The smoothed factors were determined such that the bands of quinquennial durations reproduced the actual experience, to the extent credible.

Theoretical adjustments are made, following the diagonal, according to the adjustments made for older issue age bands to maintain mortality relationships across attained ages. For example, we assume an 85% factor for attained age 80, which appears in duration 18 for issue age 62 and duration 23 for issue age 57 as shown in Section 6 of the actuarial memorandum; following along this diagonal the assumption is consistent.

Exhibit A-1b provides similar information as Exhibit A-1a for individual business only with issue ages under 60. For development of the mortality assumption for issue ages under 60, the experience was split between individual and group because there is a material amount of group experience under 60. Mortality can differ between individual and group business because of adverse selection associated with group underwriting.

For projection purposes, two years of additional improvement was applied to the 2015GAM mortality rates to bring them forward to 2017 using the G2 improvement scale from the 2012IAM table. The G2 scale is discussed further in the Improvement section below.

#### *Lifetime-Pay Voluntary Lapse Rates*

Exhibit A-2 provides total exposure, composite termination rates, expected mortality rates, derived voluntary lapse rates, credibility percent, and smoothed voluntary lapse rates by duration for lifetime-pay policies for the Simplicity and Simplicity ii blocks' combined experience.

In general, the smoothed voluntary lapse rates were set in such a way that the combined duration smoothed rates were close to the derived voluntary lapse rates (see the rows at the bottom of the exhibits). The smoothed voluntary lapse rates in the early durations were chosen to reproduce actual history, to the extent possible, so that the transition from historical to projected policy persistency was smooth. In developing the ultimate voluntary lapse rate, the level of credibility of the actual voluntary lapse experience and the experience of other forms were considered, as applicable. The degree of closeness of the smoothed voluntary lapse rate compared to actual experience depends on the level of credibility.

The actual composite (mortality and voluntary lapse) termination rates were calculated by duration as follows:

$$\text{Annualized Composite Termination Rate} = \frac{\text{Number of Deaths and Voluntary Lapses during the Year}}{\text{Number of Lives Exposed during the Year}}.$$

A death or voluntary lapse (excluding benefit expiry) was assigned to the duration in which it occurred, or the preceding duration, if the termination was on the anniversary date. Each death or voluntary lapse contributes 1.0 to the numerator and a full year to the denominator. For lives whose benefits expire or do not terminate, the number of lives exposed to termination is based on the length of time a covered life is exposed to the risk of termination due to death or voluntary lapse during the year. This calculation logic is consistent with that used in the LTC Insurance Persistency Experience reports sponsored by LIMRA International and the SOA LTC Experience Committee.

The expected mortality rate assumes the gender-distinct 2015GAM table with the durational factors shown in Section 6 of the actuarial memorandum applied by duration.

The derived voluntary lapse rate is then calculated according to the following formula:

$$\text{Derived Voluntary Lapse Rate} = 1 - \frac{1 - \text{Composite Termination Rate}}{1 - \text{Expected Mortality Rate}}.$$

## Appendix A

### Development and Justification of Current Assumptions

#### *Limited-Pay Voluntary Lapse Rates*

The algorithm for the limited-pay options is similar to that used in original pricing. The smoothed lapse rates are a scalar of the lifetime-pay lapse rates. Less than 2% of the in-force policies with a limited-pay option will be subject to the lapse assumption because they will not yet be paid-up during the first six years of the projection. As a result, the impact of the limited-pay assumptions on the projections is assumed to be immaterial.

For the ten-pay, paid-up at age 65, reduced after age 65, and reduced after age 70 payment options, the scalars were developed from a comparison of the lifetime-pay derived lapse rates to the limited-pay option's derived lapse rates based on MedAmerica and its affinity partners' experience on all products combined. The relationships derived from this analysis were used to develop the smoothed lapse assumptions as shown in Section 6 of the actuarial memorandum.

#### *Benefit Expiry*

Benefit expiry rates reflect assumed policy lapses due to exhaustion of benefits based on the 2014 *Guidelines* with adjustments for historical benefit expiry experience and vary by attained age, gender, and benefit period. Policies with lifetime benefits do not have an expiry assumption (i.e., rate of 0%).

We compared MedAmerica's actual benefit expiry experience through December 31, 2015 to that expected by the 2014 *Guidelines*. We developed adjustment factors by attained age based on the experience of a subset of MedAmerica's organic business. Factors were developed by quinquennial attained age band and then interpolated to produce scalars for each attained age. These scalars were then applied to the benefit expiry rates developed by the 2014 *Guidelines* in order to produce the final benefit expiry assumptions shown in Section 6 of the actuarial memorandum.

Exhibit A-3 provides exposure, actual and expected benefit expiry rates, A:E ratios, credibility percent, credibility-weighted A:E ratios, and smoothed adjustment factors. The exposure used reflects a full year of exposure for each benefit expiry and the length of time a covered life is exposed to the risk of benefit expiry during the year for each life that does not expire benefits.

#### ***Morbidity***

The claim costs were developed using the 2014 *Guidelines* with experience-adjustment factors based on all products of MedAmerica, its affinity partners, and any acquired business from January 1, 2004 through June 30, 2016, with runout through December 31, 2016. The experience-adjustment factors were developed using predictive analytics as described in the Predictive Analytics section below.

- Exhibit A-4a – provides the adjustment factors that are to be applied to the 2014 *Guidelines* claim costs for the Simplicity and Simplicity ii individual policy forms.
- Exhibit A-4b – provides a summary of A:E experience for the Simplicity and Simplicity ii individual policy forms.
  - Exposure [A] reflects the length of time a covered life is in force (i.e., an exact exposure basis).
  - Actual incurred claim counts [B] and dollars [C] are based on historical claim experience from inception through June 30, 2016, with runout through December 31, 2016. Actual incurred claim dollars were valued as paid claims plus claim reserves. Paid claims and claim reserves were discounted to the year of incurral.
  - 2014 *Guidelines* expected incurred claims [D] are valued as the 2014 *Guidelines* claim costs multiplied by actual all-lives exposure. The claim costs vary by gender, attained age, policy duration, benefit period, elimination period, payment type, level of home care coverage, inflation type, and coverage type (comprehensive/facility only/home health care only). Policy design, claims adjudication, and degree of underwriting were considered in developing the claim costs.
  - Adjusted expected incurred claims [E] are calculated by applying each applicable adjustment from Exhibit A-4a to the 2014 *Guidelines* expected incurred claims [D].
  - A:E ratios are calculated as actual incurred claims to the 2014 *Guidelines* expected incurred claims [F] and adjusted expected incurred claims [G]. The adjusted A:E [G] provides an indication of fit. This fit will not be perfect (i.e., ratio deviates from 1.0) because the main goal is to develop an assumption that generalizes well to new data by balancing assumption complexity and fit on the historical experience.
- Exhibit A-4c – provides information similar to Exhibit A-4b, except provides the experience for all products of MedAmerica, its affinity partners, and any acquired business.

## **Appendix A**

### **Development and Justification of Current Assumptions**

Prior to developing the experience-adjustment factors, the 2014 *Guidelines* were adjusted for an assumed level of morbidity improvement. The 2014 *Guidelines* claim costs reflect morbidity improvement such that they are as of calendar year 2014. We assume this improvement has also occurred in the actual historical experience. Therefore, a backward or forward projection of morbidity improvement was applied to the expected claim costs on a seriatim basis based on the calendar year in which a given policy's duration fell. An annual improvement level of 1.0% was used in the backward or forward projections.

For projection purposes, three years of 1.0% improvement was applied to the 2014 *Guidelines* to bring them forward to 2017.

#### ***Improvement***

For projected mortality improvement, the G2 improvement scale from the 2012IAM mortality table was used. The G2 improvement scale varies by attained age and is applied beginning in the first projection year and continues for 15 projection years.

For projected morbidity improvement, a level of 1.0% is assumed for 15 years beginning January 1, 2018. This assumption is set based on the underlying morbidity improvement from the 2014 *Guidelines*. This level is also reasonable based on the SOA July 2016 study, *Long Term Care Morbidity Improvement Study: Estimates for the Non-Insured U.S. Elderly Population Based on the National Long Term Care Survey 1984-2004*. This study reported population annual morbidity improvement of 2.3% for unisex, 2.5% for males, and 2.1% for females. The SOA July 2016 study uses population data, so it is uncertain how well these findings will translate to an insured population. The SOA June 2011 study suggests that an annuitant cohort has more mortality improvement over the general population, so it is possible that this could be true for morbidity as well. Based on these studies, a reasonable range for morbidity improvement is between 0.0% to 2.5% for males and 0.0% to 2.1% for females for 10 to 20 years.

#### ***Rate Increase Dependent Assumptions***

At the time of a rate increase, insureds have options to elect a contingent benefit upon lapse (CBUL) or reduced benefit options (RBO). Adverse selection is assumed relative to CBUL and RBO elections. These insured behavior assumptions are provided in Section 6 of the actuarial memorandum. These assumptions are based on MedAmerica's actual CBUL and RBO election rate experience to the extent it exists and is credible and actuarial judgment, particularly at the higher rate increase magnitudes where little experience exists.

##### ***Contingent Benefit Upon Lapse Election***

The assumed CBUL election rate varies based on the cumulative rate increase. The assumption is applied on a seriatim basis and prorated for the requested increase needed to achieve the cumulative rate increase amounts. No CBUL elections are assumed for limited-pay policies.

##### ***Reduced Benefit Options***

We assume that those electing RBO will reduce their benefits so that premiums after the increase are closer to those before the increase. We assume that the percent reduction in premium corresponds to an equivalent percent reduction in claims. We assume a RBO election rate that varies based on the cumulative rate increase. The assumption is applied on a seriatim basis and prorated for the requested increase needed to achieve the cumulative rate increase amounts. No RBO elections are assumed for limited-pay policies.

The reduction to premium and claims varies based on the level of the rate increase and can then be determined as follows:

Reduction to premium and claims due to the election of RBO  
=  $1 - (\text{Average premium level after the rate increase with RBO election} / \text{Premium level after the full rate increase without any RBO election})$ , where

Average premium level after the rate increase with RBO election  
= weighted average premium level of those assumed to elect RBO with those assumed to accept the full rate increase

## Appendix A

### Development and Justification of Current Assumptions

#### *Adverse Selection*

The adverse selection assumption is a function of the CBUL and RBO election rates, such that the relative increase to morbidity due to adverse selection varies by the rate increase's magnitude. The increase to morbidity due to adverse selection was developed from the following formula and actuarial judgment. We assume that at the time of the rate increase, insureds that elect a CBUL will be selective in that their relative morbidity is 25% lower than that of the remaining pool. Similarly, we assume that at the time of the rate increase, insureds that elect an RBO will be selective in that their relative morbidity is 12.5% lower than that of the remaining pool.

$$\text{PoolMorb} = \text{AdvSelMorb} \times (1 - \text{CBUL} - \text{RBO}) + [(1 - 25\%) \times \text{AdvSelMorb}] \times \text{CBUL} + [(1 - 12.5\%) \times \text{AdvSelMorb}] \times \text{RBO}, \text{ where}$$

|              |   |
|--------------|---|
| PoolMorb =   | morbidity of the pool before the rate increase = 1.0                                    |
| AdvSelMorb = | adverse morbidity of the remaining pool after the rate increase due to selective lapses |
| CBUL =       | percentage of policies that elect CBUL  |
| RBO =        | percentage of policies that elect RBO   |

Solving the above for the adverse selection component results in the following formula for lifetime-pay policies:

$$\text{Adverse Selection} = 1 / (1 - 25\% \times \text{CBUL} - 12.5\% \times \text{RBO})$$

#### ***Predictive Analytics***

In developing the morbidity experience-adjustment factors, predictive analytics was employed in the form of a penalized generalized linear model (GLM).

A penalized GLM is similar to a traditional GLM. The only difference is that it adds an additional constraint that penalizes the size of the model's coefficients in order to control overfitting the model to the historical data. This penalty placed on the coefficients can be seen as a credibility lever, which controls how much weight is given to the company's actual experience. A high penalty would give no weight to the data, leaving the benchmark assumption (i.e., the 2014 *Guidelines* for morbidity) unadjusted. No penalty would give full weight to the company's actual data potentially making large adjustments to the benchmark, which could be overfitting the actual experience. When using a penalized GLM it is important to choose a penalty that gives the right amount of weight to the actual data to avoid underfitting or overfitting the experience.

A standard approach for choosing such a penalty is to use a *k*-fold cross-validation to test a series of penalty values. A *k*-fold cross-validation splits the data into *k* subsets and iteratively trains and tests the model independently on each subset of the data. This process gives an estimation of how well a model will generalize to new data that was not used to develop the assumption. Through the *k*-fold cross-validation we evaluated the impact the penalty had on the model's generalizability by testing a range of 100 penalties. We selected the penalty that minimized the *k*-fold cross-validation prediction error. Using this approach, we were able to determine the amount of weight to give actual experience versus the benchmark assumption through a statistically robust and automated process.

#### ***Credibility***

The methodology employed to develop the persistency assumptions considers actual historical experience and its associated credibility. Credibility percentage for the persistency assumptions was determined as  $(\text{Number of Events} / \text{Credibility Threshold})^{1/2}$ , with events defined as deaths, voluntary lapses, or benefit expiries. A credibility standard of a 90% confidence interval for the number of events with an error of plus or minus 7.5% was chosen. Based on these parameters, 481 events is the criterion for full credibility.



**Exhibit A-1a**  
**Actual-to-Expected (A:E) Mortality Experience through December 31, 2015**  
**All Products**

| Duration           | Exposure | Mortality Rate |             |             | Ratios to 2015GAM |               | Credibility Percent | A:E Credibility-Weighted with: |               | Smoothed Durational Factors |
|--------------------|----------|----------------|-------------|-------------|-------------------|---------------|---------------------|--------------------------------|---------------|-----------------------------|
|                    |          | Actual (A)     | 2015GAM (E) | 2015IAM (X) | Actual (A:E)      | 2015IAM (X:E) |                     | 2015GAM (E:E=1.00)             | 2015IAM (X:E) |                             |
| Issue Age 75+      |          |                |             |             |                   |               |                     |                                |               |                             |
| 1-5                | 24,998   | 1.8%           | 4.4%        | 3.1%        | 0.40              | 0.70          | 95%                 | 0.43                           | 0.41          | 0.41                        |
| 6-10               | 20,553   | 5.0%           | 7.0%        | 5.5%        | 0.71              | 0.78          | 100%                | 0.71                           | 0.71          | 0.71                        |
| 11-15              | 11,268   | 10.1%          | 10.5%       | 8.8%        | 0.96              | 0.84          | 100%                | 0.96                           | 0.96          | 0.96                        |
| 16-20              | 3,330    | 16.3%          | 16.1%       | 14.2%       | 1.02              | 0.88          | 100%                | 1.02                           | 1.02          | 1.04                        |
| 21-25              | 415      | 25.3%          | 22.2%       | 20.6%       | 1.14              | 0.93          | 47%                 | 1.07                           | 1.03          | 1.05                        |
| 26+                | 25       | 7.8%           | 32.1%       | 30.8%       | 0.24              | 0.96          | 6%                  | 0.95                           | 0.91          | 1.05                        |
| 21+                | 440      | 24.3%          | 22.8%       | 21.2%       | 1.07              | 0.93          | 47%                 | 1.03                           | 0.99          | 1.05                        |
| All                | 60,589   | 5.4%           | 7.2%        | 5.7%        | 0.75              | 0.79          | 100%                | 0.75                           | 0.75          | 0.75                        |
| Issue Ages 70 - 74 |          |                |             |             |                   |               |                     |                                |               |                             |
| 1-5                | 39,706   | 0.9%           | 2.2%        | 1.4%        | 0.41              | 0.64          | 87%                 | 0.49                           | 0.45          | 0.40                        |
| 6-10               | 38,186   | 2.4%           | 3.7%        | 2.5%        | 0.66              | 0.67          | 100%                | 0.66                           | 0.66          | 0.65                        |
| 11-15              | 27,286   | 4.9%           | 6.0%        | 4.4%        | 0.83              | 0.74          | 100%                | 0.83                           | 0.83          | 0.84                        |
| 16-20              | 10,157   | 9.1%           | 9.4%        | 7.7%        | 0.98              | 0.82          | 100%                | 0.98                           | 0.98          | 0.98                        |
| 21-25              | 2,029    | 14.6%          | 14.3%       | 12.3%       | 1.02              | 0.86          | 78%                 | 1.02                           | 0.99          | 1.04                        |
| 26+                | 138      | 25.8%          | 20.4%       | 18.6%       | 1.27              | 0.91          | 27%                 | 1.07                           | 1.01          | 1.05                        |
| 21+                | 2,167    | 15.3%          | 14.7%       | 12.7%       | 1.04              | 0.87          | 83%                 | 1.03                           | 1.01          | 1.04                        |
| All                | 117,501  | 3.3%           | 4.4%        | 3.2%        | 0.75              | 0.73          | 100%                | 0.75                           | 0.75          | 0.75                        |
| Issue Ages 65 - 69 |          |                |             |             |                   |               |                     |                                |               |                             |
| 1-5                | 67,094   | 0.6%           | 1.4%        | 0.9%        | 0.42              | 0.65          | 90%                 | 0.48                           | 0.44          | 0.40                        |
| 6-10               | 65,409   | 1.4%           | 2.2%        | 1.4%        | 0.64              | 0.64          | 100%                | 0.64                           | 0.64          | 0.65                        |
| 11-15              | 50,103   | 2.9%           | 3.7%        | 2.4%        | 0.78              | 0.66          | 100%                | 0.78                           | 0.78          | 0.79                        |
| 16-20              | 23,101   | 5.3%           | 5.9%        | 4.3%        | 0.90              | 0.74          | 100%                | 0.90                           | 0.90          | 0.90                        |
| 21-25              | 6,829    | 9.5%           | 9.3%        | 7.6%        | 1.03              | 0.82          | 100%                | 1.03                           | 1.03          | 0.99                        |
| 26+                | 533      | 13.8%          | 13.6%       | 11.6%       | 1.01              | 0.86          | 39%                 | 1.01                           | 0.92          | 1.04                        |
| 21+                | 7,362    | 9.8%           | 9.6%        | 7.9%        | 1.03              | 0.82          | 100%                | 1.03                           | 1.03          | 0.99                        |
| All                | 213,069  | 2.2%           | 3.0%        | 2.0%        | 0.75              | 0.69          | 100%                | 0.75                           | 0.75          | 0.74                        |
| Issue Ages 60 - 64 |          |                |             |             |                   |               |                     |                                |               |                             |
| 1-5                | 93,335   | 0.3%           | 0.9%        | 0.6%        | 0.41              | 0.72          | 82%                 | 0.51                           | 0.46          | 0.39                        |
| 6-10               | 85,284   | 0.8%           | 1.4%        | 0.9%        | 0.57              | 0.65          | 100%                | 0.57                           | 0.57          | 0.59                        |
| 11-15              | 58,636   | 1.5%           | 2.3%        | 1.5%        | 0.68              | 0.65          | 100%                | 0.68                           | 0.68          | 0.67                        |
| 16-20              | 27,386   | 3.2%           | 3.8%        | 2.5%        | 0.85              | 0.67          | 100%                | 0.85                           | 0.85          | 0.83                        |
| 21-25              | 9,435    | 5.5%           | 6.1%        | 4.5%        | 0.90              | 0.75          | 100%                | 0.90                           | 0.90          | 0.90                        |
| 26+                | 782      | 9.5%           | 9.1%        | 7.5%        | 1.05              | 0.82          | 39%                 | 1.02                           | 0.91          | 0.97                        |
| 21+                | 10,217   | 5.8%           | 6.3%        | 4.8%        | 0.92              | 0.76          | 100%                | 0.92                           | 0.92          | 0.91                        |
| All                | 274,857  | 1.2%           | 1.8%        | 1.2%        | 0.68              | 0.68          | 100%                | 0.68                           | 0.68          | 0.67                        |

**Exhibit A-1b**  
**Actual-to-Expected (A:E) Mortality Experience through December 31, 2015**  
**Individual Products**

| Duration      | Exposure | Mortality Rate |             |             | Ratios to 2015GAM |               | Credibility Percent | A:E Credibility-Weighted with: |               | Smoothed Durational Factors |
|---------------|----------|----------------|-------------|-------------|-------------------|---------------|---------------------|--------------------------------|---------------|-----------------------------|
|               |          | Actual (A)     | 2015GAM (E) | 2015IAM (X) | Actual (A:E)      | 2015IAM (X:E) |                     | 2015GAM (E:E=1.00)             | 2015IAM (X:E) |                             |
| Issue Age <60 |          |                |             |             |                   |               |                     |                                |               |                             |
| 1-5           | 213,822  | 0.1%           | 0.3%        | 0.2%        | 0.39              | 0.86          | 66%                 | 0.59                           | 0.55          | 0.38                        |
| 6-10          | 134,800  | 0.3%           | 0.5%        | 0.4%        | 0.54              | 0.77          | 88%                 | 0.59                           | 0.56          | 0.54                        |
| 11-15         | 57,646   | 0.6%           | 0.9%        | 0.7%        | 0.61              | 0.69          | 83%                 | 0.67                           | 0.62          | 0.60                        |
| 16-20         | 24,577   | 1.1%           | 1.5%        | 1.0%        | 0.70              | 0.67          | 74%                 | 0.78                           | 0.69          | 0.70                        |
| 21-25         | 9,193    | 1.7%           | 2.4%        | 1.6%        | 0.70              | 0.67          | 57%                 | 0.83                           | 0.68          | 0.79                        |
| 26+           | 759      | 2.9%           | 4.4%        | 3.1%        | 0.65              | 0.72          | 21%                 | 0.93                           | 0.70          | 0.87                        |
| 21+           | 9,952    | 1.8%           | 2.6%        | 1.7%        | 0.69              | 0.68          | 61%                 | 0.81                           | 0.68          | 0.80                        |
| All           | 440,797  | 0.3%           | 0.6%        | 0.4%        | 0.56              | 0.75          | 100%                | 0.56                           | 0.56          | 0.57                        |

**Exhibit A-2**  
**MedAmerica and Affinity Partners**  
**Derived Lifetime-Pay Voluntary Lapse Experience from Inception through December 31, 2015**  
**Simplicity and Simplicity ii Policy Forms Combined**  
**Lifetime-Pay Policies**

| Duration | Exposure | Composite Termination Rates | Expected Mortality Rates | Derived Lapse Rates | Credibility Percent | Smoothed Lapse Rates |
|----------|----------|-----------------------------|--------------------------|---------------------|---------------------|----------------------|
| 1        | 43,708   | 8.1%                        | 0.1%                     | 8.0%                | 100%                | 8.00%                |
| 2        | 40,123   | 6.5%                        | 0.2%                     | 6.3%                | 100%                | 6.50%                |
| 3        | 34,365   | 5.0%                        | 0.2%                     | 4.8%                | 100%                | 5.00%                |
| 4        | 28,644   | 4.1%                        | 0.3%                     | 3.9%                | 100%                | 4.00%                |
| 5        | 24,506   | 3.7%                        | 0.3%                     | 3.4%                | 100%                | 3.50%                |
| 6        | 21,161   | 3.1%                        | 0.4%                     | 2.7%                | 100%                | 2.50%                |
| 7        | 18,447   | 2.8%                        | 0.5%                     | 2.3%                | 96%                 | 2.25%                |
| 8        | 15,701   | 2.2%                        | 0.6%                     | 1.6%                | 75%                 | 1.50%                |
| 9        | 11,993   | 1.5%                        | 0.7%                     | 0.8%                | 50%                 | 0.75%                |
| 10       | 7,544    | 1.4%                        | 0.8%                     | 0.5%                | 34%                 | 0.60%                |
| 11       | 3,591    | 1.5%                        | 1.0%                     | 0.5%                | 20%                 | 0.60%                |
| 12       | 618      | 1.6%                        | 1.2%                     | 0.4%                | 6%                  | 0.60%                |
| 1-3      | 118,197  | 6.6%                        | 0.1%                     | 6.5%                | 100%                | 6.6%                 |
| 4-6      | 74,310   | 3.7%                        | 0.3%                     | 3.4%                | 100%                | 3.4%                 |
| 7-9      | 46,140   | 2.2%                        | 0.6%                     | 1.7%                | 100%                | 1.6%                 |
| 5+       | 103,560  | 2.7%                        | 0.5%                     | 2.2%                | 100%                | 2.1%                 |
| 6+       | 79,054   | 2.4%                        | 0.6%                     | 1.8%                | 100%                | 1.7%                 |
| 7+       | 57,893   | 2.1%                        | 0.6%                     | 1.4%                | 100%                | 1.4%                 |
| 8+       | 39,447   | 1.7%                        | 0.7%                     | 1.0%                | 99%                 | 1.0%                 |
| 9+       | 23,746   | 1.5%                        | 0.8%                     | 0.7%                | 64%                 | 0.7%                 |
| 10+      | 11,753   | 1.4%                        | 0.9%                     | 0.5%                | 40%                 | 0.6%                 |
| All      | 250,400  | 4.7%                        | 0.3%                     | 4.4%                | 100%                | 4.5%                 |

**Exhibit A-3**  
**Actual-to-Expected (A:E) Benefit Expiration Experience through December 31, 2015**  
**Subset of MedAmerica Organic Business**

| Attained Age Band | Exposure | Actual Expiry Rate | Expected Expiry Rate | Expiry A:E | Credibility Percent | Credibility-Weighted A:E | Smoothed Adjustment Factors |
|-------------------|----------|--------------------|----------------------|------------|---------------------|--------------------------|-----------------------------|
| <80               | 528,089  | 0.03%              | 0.04%                | 0.70       | 56%                 | 0.83                     | 0.85                        |
| 80-84             | 50,683   | 0.52%              | 0.41%                | 1.27       | 74%                 | 1.20                     | 1.25                        |
| 85-89             | 22,568   | 1.52%              | 1.04%                | 1.46       | 85%                 | 1.39                     | 1.45                        |
| 90+               | 6,638    | 4.43%              | 2.47%                | 1.79       | 78%                 | 1.62                     | 1.65                        |
| All               | 607,979  | 0.17%              | 0.14%                | 1.28       | 100%                | 1.28                     | 1.28                        |

**Exhibit A-4a**  
**MedAmerica and Affinity Partners**  
**Morbidity Adjustment Factors**  
**Simplicity and Simplicity ii Individual Policy Forms Combined**

| Duration | Product-Specific Adjustment Factor |
|----------|------------------------------------|
| 1        | 1.04                               |
| 2        | 1.02                               |
| 3        | 1.13                               |
| 4        | 1.14                               |
| 5        | 1.15                               |
| 6        | 1.17                               |
| 7        | 1.22                               |
| 8        | 1.10                               |
| 9        | 1.15                               |
| 10       | 1.21                               |
| 11       | 1.18                               |
| 12       | 1.13                               |
| 13       | 1.13                               |
| 14       | 1.07                               |
| 15       | 1.02                               |
| 16       | 0.99                               |
| 17       | 1.00                               |
| 18       | 1.00                               |
| 19       | 1.00                               |
| 20+      | 1.00                               |

| Attained Age | Product-Specific and Payment Type Adjustment Factor |
|--------------|---|
| <55          | 1.07  |
| 55           | 1.07  |
| 56           | 1.07  |
| 57           | 1.11  |
| 58           | 1.13  |
| 59           | 1.06  |
| 60           | 1.01  |
| 61           | 0.99  |
| 62           | 0.89  |
| 63           | 0.86  |
| 64           | 0.96  |
| 65           | 0.89  |
| 66           | 0.95  |
| 67           | 1.00  |
| 68           | 0.97  |
| 69           | 0.86  |
| 70           | 0.94  |
| 71           | 0.83  |
| 72           | 0.84  |
| 73           | 0.86  |
| 74           | 0.91  |
| 75           | 0.84  |
| 76           | 0.89  |
| 77           | 0.91  |
| 78           | 0.98  |
| 79           | 1.03  |
| 80           | 1.11  |
| 81           | 1.15  |
| 82           | 1.15  |
| 83           | 1.12  |
| 84           | 1.11  |
| 85           | 1.08  |
| 86           | 1.06  |
| 87           | 1.06  |
| 88           | 1.08  |
| 89           | 1.07  |
| 90           | 1.09  |
| 91           | 1.09  |
| 92           | 1.07  |
| 93           | 1.04  |
| 94           | 1.03  |
| 95           | 1.01  |
| 96           | 1.00  |
| 97           | 1.01  |
| 98           | 1.01  |
| 99           | 1.01  |
| 100          | 1.01  |
| 101+         | 1.01  |

| Attained Age | Non-MANY Adjustment Factor | MANY Adjustment Factor |
|--------------|----------------------------|------------------------|
| <55          | 1.07                       | 0.97                   |
| 55           | 1.07                       | 0.97                   |
| 56           | 1.07                       | 0.97                   |
| 57           | 1.06                       | 0.97                   |
| 58           | 0.99                       | 1.00                   |
| 59           | 0.95                       | 1.04                   |
| 60           | 0.89                       | 1.09                   |
| 61           | 0.89                       | 1.11                   |
| 62           | 0.88                       | 1.09                   |
| 63           | 0.94                       | 1.00                   |
| 64           | 1.00                       | 0.91                   |
| 65           | 1.00                       | 0.85                   |
| 66           | 1.09                       | 0.81                   |
| 67           | 1.17                       | 0.82                   |
| 68           | 1.25                       | 0.81                   |
| 69           | 1.26                       | 0.86                   |
| 70           | 1.28                       | 0.88                   |
| 71           | 1.13                       | 0.87                   |
| 72           | 1.09                       | 0.90                   |
| 73           | 1.03                       | 0.92                   |
| 74           | 1.03                       | 0.94                   |
| 75           | 0.99                       | 0.98                   |
| 76           | 1.00                       | 1.09                   |
| 77           | 0.97                       | 1.07                   |
| 78           | 0.97                       | 1.13                   |
| 79           | 0.97                       | 1.15                   |
| 80           | 1.02                       | 1.15                   |
| 81           | 1.08                       | 1.07                   |
| 82           | 1.12                       | 1.09                   |
| 83           | 1.13                       | 1.12                   |
| 84           | 1.11                       | 1.07                   |
| 85           | 1.08                       | 1.07                   |
| 86           | 1.05                       | 1.09                   |
| 87           | 1.03                       | 1.13                   |
| 88           | 1.02                       | 1.09                   |
| 89           | 1.05                       | 1.11                   |
| 90           | 1.05                       | 1.13                   |
| 91           | 1.05                       | 1.11                   |
| 92           | 1.05                       | 1.04                   |
| 93           | 1.04                       | 1.03                   |
| 94           | 1.00                       | 1.00                   |
| 95           | 1.00                       | 0.97                   |
| 96           | 0.98                       | 0.96                   |
| 97           | 0.97                       | 0.98                   |
| 98           | 0.98                       | 0.98                   |
| 99           | 0.99                       | 0.99                   |
| 100          | 0.99                       | 1.00                   |
| 101+         | 1.00                       | 1.01                   |

| Coverage Type     | Adjustment Factor |
|-------------------|-------------------|
| Comprehensive     | 0.90              |
| Nursing Home Only | 1.03              |
| Home Care Only    | 1.10              |

**Exhibit A-4b**  
**MedAmerica and Affinity Partners**  
**Actual-to-Expected (A:E) Morbidity Experience through June 30, 2016 with Claim Runout**  
**Simplicity and Simplicity ii Individual Policy Forms Combined**

| Policy or<br>Policyowner<br>Characteristic | Exposure<br>[A] | Actual Incurred Claims |                | Expected Incurred Claims      |            | A:E Incurred Claims                       |                        |
|--|-----------------|------------------------|----------------|-------------------------------|------------|---|------------------------|
|  |                 | Count<br>[B]           | Dollars<br>[C] | 2014 <i>Guidelines</i><br>[D] | New<br>[E] | 2014 <i>Guidelines</i><br>[F] = [C] / [D] | New<br>[G] = [C] / [E] |
| Company                                    |                 |                        |                |                               |            |   |                        |
| MANY                                       | 48,397          | 115                    | 15,570,334     | 13,270,764                    | 13,160,675 | 1.17                                      | 1.18                   |
| Non-MANY                                   | 259,930         | 417                    | 44,774,910     | 40,902,387                    | 43,745,275 | 1.09                                      | 1.02                   |
| Coverage Type                              |                 |                        |                |                               |            |   |                        |
| Comprehensive                              | 298,026         | 493                    | 56,547,192     | 50,145,485                    | 51,885,236 | 1.13                                      | 1.09                   |
| Nursing Home Only                          | 9,404           | 37                     | 3,586,363      | 3,804,858                     | 4,737,342  | 0.94                                      | 0.76                   |
| Home Care Only                             | 897             | 2                      | 211,689        | 222,808                       | 283,372    | 0.95                                      | 0.75                   |
| Attained Age                               |                 |                        |                |                               |            |   |                        |
| < 60                                       | 182,869         | 95                     | 11,103,522     | 8,772,488                     | 9,948,689  | 1.27                                      | 1.12                   |
| 60 - 69                                    | 97,417          | 178                    | 22,603,019     | 19,454,500                    | 19,266,007 | 1.16                                      | 1.17                   |
| 70 - 79                                    | 25,456          | 160                    | 16,481,293     | 18,599,710                    | 18,243,680 | 0.89                                      | 0.90                   |
| 80 - 89                                    | 2,540           | 92                     | 9,265,766      | 6,942,450                     | 8,955,759  | 1.33                                      | 1.03                   |
| 90 +                                       | 44              | 7                      | 891,643        | 404,002                       | 491,815    | 2.21                                      | 1.81                   |
| Policy Duration                            |                 |                        |                |                               |            |   |                        |
| < 7  | 228,630         | 234                    | 24,258,019     | 22,061,563                    | 22,723,069 | 1.10                                      | 1.07                   |
| 7 - 10                                     | 71,139          | 239                    | 29,087,141     | 25,977,943                    | 27,577,008 | 1.12                                      | 1.05                   |
| 11 - 15                                    | 8,558           | 59                     | 7,000,084      | 6,133,644                     | 6,605,874  | 1.14                                      | 1.06                   |
| 16 - 20                                    | -               | -                      | -              | -                             | -          | -   | -                      |
| 21 +                                       | -               | -                      | -              | -                             | -          | -   | -                      |
| Total                                      | 308,326         | 532                    | 60,345,244     | 54,173,150                    | 56,905,951 | 1.11                                      | 1.06                   |

**Exhibit A-4c**  
**MedAmerica, Affinity Partners, and Acquired Business**  
**Actual-to-Expected (A:E) Morbidity Experience through June 30, 2016 with Claim Runout**  
**All Products**

| Policy or<br>Policyowner<br>Characteristic | Exposure<br>[A] | Actual Incurred Claims |                | Expected Incurred Claims      |             | A:E Incurred Claims                       |                        |
|--|-----------------|------------------------|----------------|-------------------------------|-------------|---|------------------------|
|  |                 | Count<br>[B]           | Dollars<br>[C] | 2014 <i>Guidelines</i><br>[D] | New<br>[E]  | 2014 <i>Guidelines</i><br>[F] = [C] / [D] | New<br>[G] = [C] / [E] |
| Company                                    |                 |                        |                |                               |             |   |                        |
| MANY                                       | 270,246         | 2,805                  | 271,128,738    | 246,835,001                   | 267,034,032 | 1.10                                      | 1.02                   |
| Non-MANY                                   | 989,369         | 8,495                  | 659,578,863    | 642,889,811                   | 661,215,211 | 1.03                                      | 1.00                   |
| Coverage Type                              |                 |                        |                |                               |             |   |                        |
| Comprehensive                              | 1,136,716       | 8,789                  | 756,597,258    | 749,849,298                   | 758,592,612 | 1.01                                      | 1.00                   |
| Nursing Home Only                          | 106,185         | 2,145                  | 154,205,174    | 127,829,789                   | 153,061,713 | 1.21                                      | 1.01                   |
| Home Care Only                             | 16,715          | 366                    | 19,905,169     | 12,045,724                    | 16,594,918  | 1.65                                      | 1.20                   |
| Attained Age                               |                 |                        |                |                               |             |   |                        |
| < 60                                       | 453,624         | 244                    | 33,805,437     | 30,149,268                    | 30,328,735  | 1.12                                      | 1.11                   |
| 60 - 69                                    | 360,462         | 666                    | 78,589,161     | 88,054,403                    | 75,788,341  | 0.89                                      | 1.04                   |
| 70 - 79                                    | 291,092         | 2,748                  | 262,147,876    | 268,144,812                   | 267,494,038 | 0.98                                      | 0.98                   |
| 80 - 89                                    | 138,826         | 5,979                  | 465,876,836    | 417,634,186                   | 464,847,833 | 1.12                                      | 1.00                   |
| 90 +                                       | 15,611          | 1,663                  | 90,288,290     | 85,742,142                    | 89,790,297  | 1.05                                      | 1.01                   |
| Policy Duration                            |                 |                        |                |                               |             |   |                        |
| < 7  | 497,039         | 823                    | 75,787,355     | 82,648,988                    | 79,201,077  | 0.92                                      | 0.96                   |
| 7 - 10                                     | 307,411         | 1,867                  | 174,015,180    | 164,578,241                   | 170,058,801 | 1.06                                      | 1.02                   |
| 11 - 15                                    | 278,526         | 3,765                  | 317,411,016    | 297,015,693                   | 316,181,994 | 1.07                                      | 1.00                   |
| 16 - 20                                    | 129,643         | 3,188                  | 245,115,546    | 230,142,856                   | 242,291,028 | 1.07                                      | 1.01                   |
| 21 +                                       | 46,996          | 1,657                  | 118,378,503    | 115,339,033                   | 120,516,343 | 1.03                                      | 0.98                   |
| Total                                      | 1,259,615       | 11,300                 | 930,707,601    | 889,724,811                   | 928,249,243 | 1.05                                      | 1.00                   |

**Supplement to the Simplicity Actuarial Memorandum**

**August 15, 2018**

Product

Tax-Qualified Long-Term Care Policy Form  
Tax-Qualified Franchise Long-Term Care Policy Form

Number

SPL-336-HMBSPA  
FSPL-336-HMBSPA

**1. Purpose of Filing**

This supplement has been prepared for the purpose of demonstrating that the requested rate increase complies with Chapter 18 Section 3803(c) and (e), and Reg. 89.83 of the Insurance Regulations for the state of Pennsylvania. It may not be appropriate for other purposes.

This supplement to the actuarial memorandum captures the pooled nationwide experience of the above-listed policy form(s) and similar policy forms issued nationwide by MedAmerica Insurance Company (MedAmerica) and its affinity partners. Pennsylvania-specific experience is not considered fully credible, but is being provided as required.

**2. Demonstration of Compliance with Chapter 18 Section 3803**

*(c) and (e):* We believe that we comply with these subsections of the regulation by submitting these rates before they are being used.

**3. Demonstration of Compliance with Reg. 89.83**

*89.83 (a):* This subsection requires no action.

*89.83 (b):* This subsection is not applicable since this filing is not for rates for a new policy form.

*89.83 (c): Revision of Current Rates*

*(1):* This rate increase filing complies with loss ratio requirements (i.e., the 58%/85% test), as specified in Reg. 89a.118.(c)(2). Demonstration of satisfaction of this requirement is discussed in Section 15 of the enclosed actuarial memorandum.

*(2):* Section 3 of the actuarial memorandum provides a description of benefits. A copy of the affected policy forms may be provided upon request.

*(2)(i):* The primary reason why these forms are in need of a premium rate increase is due to emerging experience running more adverse than expected in pricing.

The company is requesting a rate increase that varies by issue age and inflation option to achieve the cumulative rate increases as shown in Section 1 of the enclosed actuarial memorandum. The company is seeking this current rate increase request to help alleviate the adverse performance on this block of business. The cumulative rate increase levels were determined to vary by issue age and inflation option to better align the rate increase with the adverse experience. The table in Section 2 of the enclosed actuarial memorandum provides the average prior, requested, and cumulative increase by issue age band and inflation option based on the nationwide distribution of business. The enclosed cover letter provides similar information on a Pennsylvania-specific distribution.

The current rate schedules along with the proposed rate schedules are enclosed with this filing. Please note that the actual rates implemented may vary slightly from those shown due to rounding algorithms.

Exhibit I of the actuarial memorandum provides nationwide earned premium and incurred claim actual and projected experience using current assumptions, as described in Section 6 of the enclosed actuarial memorandum. Attachment 1 to this supplement provides nationwide written premium and paid claim actual and projected experience using current assumptions. Values in Exhibit I and Attachment 1 are shown both before and after the requested rate increase. The interest values used in Exhibit I and Attachment 1 to accumulate and discount values is the maximum valuation interest rate for contract reserves applicable for the year of issue (which ranges from 3.5% to 4.5%, and averages 4.1%).

Attachments 2 and 3 to this supplement provide similar information as Exhibit I and Attachment 1,



**HIGHMARK BLUE SHIELD**  
**Address:** 120 Fifth Avenue, Pittsburgh, Pennsylvania 15222

**Supplement to the Simplicity Actuarial Memorandum**

**August 15, 2018**

respectively, except provide Pennsylvania-specific experience.

(2)(ii)(A): There have been five rate increases approved and implemented on these policy forms in Pennsylvania. The cumulative prior approved increase varied by issue age from 44% to 130% and averaged 101.5%. The most recent rate increase was filed for use by the Department on September 19, 2017.

(2)(ii)(B): Table 1 shows the original pricing commission scales by issue age and duration for lifetime-pay policies. The actual commission scales will differ slightly from those that appear in Table 1 as the company adjusts renewal commission rates so that the total commissions paid before and after any increase in premium are similar (i.e., commissions are not paid on the increased premium).

**Table 1**  
**Commission Scales by Issue Age and Duration**  
**Policy Forms: SPL-336, FSPL-336**

| <b>Issue Age</b> | <b>Duration 1</b> | <b>Durations 2-10</b> | <b>Durations 11+</b> |
|------------------|-------------------|-----------------------|----------------------|
| < 65             | 40-90%            | 5-15%                 | 0-15%                |
| 65 +             | 30-80%            | 5-15%                 | 0-15%                |

Commissions for limited-pay policies are reduced to levels that are approximately equivalent to the above commissions for lifetime-pay policies, on a present value basis, based on original pricing assumptions.

(2)(ii)(C)(I): Premiums earned and written since inception for nationwide experience can be found in Exhibit I of the actuarial memorandum and Attachment 1 to this supplement, respectively. Premiums earned and written since inception for Pennsylvania-specific experience can be found in Attachments 2 and 3 to this supplement, respectively. Attachment 4 to this supplement provides reserve balances and the calculation basis for both nationwide and Pennsylvania-specific experience.

(2)(ii)(C)(II): Attachment 4 to this supplement provides a breakdown of historical incurred claims and active life reserve balance, including a description of the calculation basis, for both nationwide and Pennsylvania-specific experience.

Attachment 5 to this supplement provides actual and projected experience on a durational basis using current assumptions. Included are policy year earned premiums, incurred claims, durational loss ratios, end of year lives, and cumulative loss ratios with interest. Values in Attachment 5 are shown both before and after the requested rate increase. The number of durations shown was chosen to capture the majority of the durations underlying Exhibit I. Similar to Exhibit I and Attachments 1 through 3, the values used to calculate the cumulative loss ratios are accumulated and discounted at the maximum valuation interest rate.

Attachment 6 to this supplement provides similar information to Attachment 5 for Pennsylvania-specific experience.

(2)(ii)(D): We believe that we have provided information sufficient to support the rate increase requested in this filing.

(2)(iii): We understand that data used in this rate increase filing is in agreement with those used in the annual statement filed with the Department.

89.83 (d): We believe the proposed rate tables provided with this filing comply with this subsection.

**4. Microsoft Excel spreadsheet containing all numerical data**

An Excel workbook containing the values shown in Exhibits I and II of the actuarial memorandum and Attachments 1 through 6 of this supplement is enclosed with this filing, as required.

**Attachment 1-a**  
**MedAmerica and Affinity Partners**  
**Written Premium and Paid Claim Experience and Projections by Calendar Year**  
**Nationwide Experience Before Requested Rate Increase**  
**Individual Simplicity Policy Forms**

|  | Calendar Year | Actual or Projected Experience using Current Assumptions |             |            |   |
|--|---------------|--|-------------|------------|---|
|  |               | Without Interest   |             |            | Cumulative Loss Ratio w/ Max. Val. Interest |
|  |               | Written Premium  | Paid Claims | Loss Ratio |   |
| Historical Experience                  | 2004          | 4,468,185  | 41,559      | 1%         | 1%  |
|  | 2005          | 13,868,620   | 142,647     | 1%         | 1%  |
|  | 2006          | 24,594,396   | 295,873     | 1%         | 1%  |
|  | 2007          | 34,712,112   | 423,473     | 1%         | 1%  |
|  | 2008          | 37,177,076   | 752,446     | 2%         | 1%  |
|  | 2009          | 36,445,617   | 1,360,620   | 4%         | 2%  |
|  | 2010          | 35,789,556   | 1,701,866   | 5%         | 2%  |
|  | 2011          | 35,507,507   | 2,923,248   | 8%         | 3%  |
|  | 2012          | 35,808,922   | 3,591,057   | 10%        | 4%  |
|  | 2013          | 36,788,608   | 5,019,382   | 14%        | 5%  |
|  | 2014          | 36,913,932   | 5,915,127   | 16%        | 6%  |
|  | 2015          | 35,795,810   | 7,243,434   | 20%        | 7%  |
|  | 2016          | 32,978,867   | 8,848,463   | 27%        | 9%  |
|  | 2017          | 30,842,360   | 15,059,668  | 49%        | 11%   |
| Projected Future Experience (60 Years) | 2018          | 34,042,673   | 10,201,229  | 30%        | 12%   |
|  | 2019          | 34,690,244   | 11,551,432  | 33%        | 13%   |
|  | 2020          | 34,275,101   | 12,772,603  | 37%        | 14%   |
|  | 2021          | 33,382,703   | 14,099,867  | 42%        | 15%   |
|  | 2022          | 32,308,788   | 15,623,449  | 48%        | 17%   |
|  | 2023          | 31,132,405   | 17,335,269  | 56%        | 18%   |
|  | 2024          | 30,136,729   | 19,283,390  | 64%        | 19%   |
|  | 2025          | 29,123,959   | 21,521,815  | 74%        | 21%   |
|  | 2026          | 28,097,192   | 24,060,304  | 86%        | 22%   |
|  | 2027          | 27,050,456   | 26,911,413  | 99%        | 24%   |
|  | 2028          | 25,948,274   | 30,079,065  | 116%       | 26%   |
|  | 2029          | 24,837,087   | 33,574,426  | 135%       | 28%   |
|  | 2030          | 23,728,695   | 37,386,706  | 158%       | 30%   |
|  | 2031          | 22,596,160   | 41,491,862  | 184%       | 32%   |
|  | 2032          | 21,450,304   | 45,846,110  | 214%       | 34%   |
|  | 2033          | 20,300,920   | 50,459,458  | 249%       | 37%   |
|  | 2034          | 19,108,711   | 55,330,411  | 290%       | 40%   |
|  | 2035          | 17,925,655   | 60,372,303  | 337%       | 42%   |
|  | 2036          | 16,733,594   | 65,466,636  | 391%       | 45%   |
|  | 2037          | 15,540,072   | 70,496,747  | 454%       | 48%   |
|  | 2038          | 14,347,014   | 75,338,710  | 525%       | 52%   |
|  | 2039          | 13,187,885   | 79,843,120  | 605%       | 55%   |
|  | 2040          | 12,054,854   | 83,863,695  | 696%       | 58%   |
|  | 2041          | 10,960,479   | 87,270,734  | 796%       | 61%   |
|  | 2042          | 9,906,074  | 89,979,817  | 908%       | 64%   |
|  | 2043          | 8,903,306  | 91,942,665  | 1,033%     | 67%   |
|  | 2044          | 7,956,473  | 93,150,363  | 1,171%     | 70%   |
|  | 2045          | 7,070,226  | 93,599,668  | 1,324%     | 73%   |
|  | 2046          | 6,248,454  | 93,291,675  | 1,493%     | 76%   |
|  | 2047          | 5,490,533  | 92,245,601  | 1,680%     | 79%   |
|  | 2048          | 4,800,758  | 90,508,091  | 1,885%     | 82%   |
|  | 2049          | 4,175,899  | 88,150,834  | 2,111%     | 84%   |
|  | 2050          | 3,615,463  | 85,272,865  | 2,359%     | 86%   |
|  | 2051          | 3,114,745  | 81,977,023  | 2,632%     | 88%   |
|  | 2052          | 2,672,341  | 78,354,640  | 2,932%     | 90%   |
|  | 2053          | 2,283,672  | 74,477,645  | 3,261%     | 92%   |
|  | 2054          | 1,943,342  | 70,419,891  | 3,624%     | 93%   |
|  | 2055          | 1,648,472  | 66,245,878  | 4,019%     | 95%   |
|  | 2056          | 1,393,652  | 62,002,231  | 4,449%     | 96%   |
|  | 2057          | 1,174,370  | 57,714,311  | 4,914%     | 97%   |
|  | 2058-2062     | 3,555,485  | 226,434,248 | 6,369%     | 101%  |
|  | 2063-2067     | 1,392,641  | 136,453,093 | 9,798%     | 104%  |
|  | 2068-2072     | 510,968  | 70,738,649  | 13,844%    | 104%  |
|  | 2073-2077     | 176,391  | 31,183,489  | 17,679%    | 105%  |

**With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest**

|          |             |               |      |
|----------|-------------|---------------|------|
| History  | 565,081,448 | 61,024,317    | 11%  |
| Future   | 421,247,310 | 971,708,050   | 231% |
| Lifetime | 986,328,757 | 1,032,732,366 | 105% |

**Attachment 1-b**  
**MedAmerica and Affinity Partners**  
**Written Premium and Paid Claim Experience and Projections by Calendar Year**  
**Nationwide Experience After Requested Rate Increase**  
**Individual Simplicity Policy Forms**

|  | Calendar Year | Actual or Projected Experience using Current Assumptions |             |            |   |
|--|---------------|--|-------------|------------|---|
|  |               | Without Interest   |             |            | Cumulative Loss Ratio w/ Max. Val. Interest |
|  |               | Written Premium  | Paid Claims | Loss Ratio |   |
| Historical Experience                  | 2004          | 4,468,185  | 41,559      | 1%         | 1%  |
|  | 2005          | 13,868,620   | 142,647     | 1%         | 1%  |
|  | 2006          | 24,594,396   | 295,873     | 1%         | 1%  |
|  | 2007          | 34,712,112   | 423,473     | 1%         | 1%  |
|  | 2008          | 37,177,076   | 752,446     | 2%         | 1%  |
|  | 2009          | 36,445,617   | 1,360,620   | 4%         | 2%  |
|  | 2010          | 35,789,556   | 1,701,866   | 5%         | 2%  |
|  | 2011          | 35,507,507   | 2,923,248   | 8%         | 3%  |
|  | 2012          | 35,808,922   | 3,591,057   | 10%        | 4%  |
|  | 2013          | 36,788,608   | 5,019,382   | 14%        | 5%  |
|  | 2014          | 36,913,932   | 5,915,127   | 16%        | 6%  |
|  | 2015          | 35,795,810   | 7,243,434   | 20%        | 7%  |
|  | 2016          | 32,978,867   | 8,848,463   | 27%        | 9%  |
|  | 2017          | 30,842,360   | 15,059,668  | 49%        | 11%   |
| Projected Future Experience (60 Years) | 2018          | 34,042,916   | 10,201,229  | 30%        | 12%   |
|  | 2019          | 43,057,360   | 11,491,156  | 27%        | 13%   |
|  | 2020          | 45,327,495   | 12,559,461  | 28%        | 14%   |
|  | 2021          | 46,215,608   | 13,702,771  | 30%        | 15%   |
|  | 2022          | 45,640,647   | 15,028,383  | 33%        | 15%   |
|  | 2023          | 43,756,309   | 16,540,515  | 38%        | 16%   |
|  | 2024          | 42,400,982   | 18,288,043  | 43%        | 18%   |
|  | 2025          | 41,008,390   | 20,320,811  | 50%        | 19%   |
|  | 2026          | 39,602,495   | 22,645,568  | 57%        | 20%   |
|  | 2027          | 38,182,611   | 25,270,656  | 66%        | 21%   |
|  | 2028          | 36,676,982   | 28,195,188  | 77%        | 23%   |
|  | 2029          | 35,162,052   | 31,427,191  | 89%        | 24%   |
|  | 2030          | 33,652,768   | 34,955,468  | 104%       | 26%   |
|  | 2031          | 32,105,783   | 38,757,034  | 121%       | 27%   |
|  | 2032          | 30,542,888   | 42,790,587  | 140%       | 29%   |
|  | 2033          | 28,974,805   | 47,066,268  | 162%       | 31%   |
|  | 2034          | 27,337,169   | 51,582,910  | 189%       | 33%   |
|  | 2035          | 25,709,900   | 56,259,789  | 219%       | 36%   |
|  | 2036          | 24,063,692   | 60,986,836  | 253%       | 38%   |
|  | 2037          | 22,409,039   | 65,655,885  | 293%       | 40%   |
|  | 2038          | 20,746,071   | 70,151,829  | 338%       | 43%   |
|  | 2039          | 19,129,344   | 74,336,194  | 389%       | 45%   |
|  | 2040          | 17,539,349   | 78,073,797  | 445%       | 48%   |
|  | 2041          | 16,002,346   | 81,245,223  | 508%       | 50%   |
|  | 2042          | 14,514,439   | 83,771,487  | 577%       | 53%   |
|  | 2043          | 13,093,047   | 85,607,491  | 654%       | 55%   |
|  | 2044          | 11,745,214   | 86,745,422  | 739%       | 58%   |
|  | 2045          | 10,477,409   | 87,182,853  | 832%       | 60%   |
|  | 2046          | 9,296,568  | 86,920,404  | 935%       | 62%   |
|  | 2047          | 8,203,020  | 85,974,994  | 1,048%     | 64%   |
|  | 2048          | 7,202,095  | 84,389,017  | 1,172%     | 67%   |
|  | 2049          | 6,290,611  | 82,228,226  | 1,307%     | 68%   |
|  | 2050          | 5,468,805  | 79,583,168  | 1,455%     | 70%   |
|  | 2051          | 4,730,927  | 76,548,094  | 1,618%     | 72%   |
|  | 2052          | 4,075,154  | 73,206,509  | 1,796%     | 73%   |
|  | 2053          | 3,495,657  | 69,624,104  | 1,992%     | 75%   |
|  | 2054          | 2,985,471  | 65,868,721  | 2,206%     | 76%   |
|  | 2055          | 2,540,570  | 61,999,712  | 2,440%     | 77%   |
|  | 2056          | 2,153,938  | 58,060,045  | 2,696%     | 78%   |
|  | 2057          | 1,819,467  | 54,072,712  | 2,972%     | 79%   |
|  | 2058-2062     | 5,529,890  | 212,394,554 | 3,841%     | 82%   |
|  | 2063-2067     | 2,169,168  | 128,147,100 | 5,908%     | 84%   |
|  | 2068-2072     | 795,778  | 66,402,847  | 8,344%     | 85%   |
|  | 2073-2077     | 276,295  | 29,216,006  | 10,574%    | 85%   |

**With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest**

|          |               |             |      |
|----------|---------------|-------------|------|
| History  | 565,081,448   | 61,024,317  | 11%  |
| Future   | 576,383,027   | 910,520,241 | 158% |
| Lifetime | 1,141,464,475 | 971,544,558 | 85%  |

**Attachment 2-a**  
**MedAmerica, Highmark BCBS, and Highmark BS**  
**Earned Premium and Incurred Claim Experience and Projections by Calendar Year**  
**Pennsylvania-Specific Experience Before Requested Rate Increase**  
**Individual Simplicity Policy Forms**

|  | Calendar Year | Actual or Projected Experience using Current Assumptions |                 |                     |                   |   |
|--|---------------|--|-----------------|---------------------|-------------------|---|
|  |               | Earned Premium   | Incurred Claims | Incurred Loss Ratio | End of Year Lives | Cumulative Loss Ratio w/ Max. Val. Interest |
| Historical Experience                  | 2004          | 69,238   | 0               | 0%                  | 79                | 0%  |
|  | 2005          | 340,141  | 0               | 0%                  | 234               | 0%  |
|  | 2006          | 828,542  | 0               | 0%                  | 845               | 0%  |
|  | 2007          | 1,454,576  | 3,925           | 0%                  | 1,075             | 0%  |
|  | 2008          | 1,854,358  | 3,584           | 0%                  | 1,428             | 0%  |
|  | 2009          | 2,251,035  | 0               | 0%                  | 1,579             | 0%  |
|  | 2010          | 2,450,306  | 54,170          | 2%                  | 1,573             | 1%  |
|  | 2011          | 2,410,676  | 16,414          | 1%                  | 1,518             | 1%  |
|  | 2012          | 2,344,343  | 0               | 0%                  | 1,472             | 1%  |
|  | 2013          | 2,273,076  | 17,449          | 1%                  | 1,357             | 1%  |
|  | 2014          | 2,406,369  | 123,310         | 5%                  | 1,300             | 1%  |
|  | 2015          | 2,436,491  | 470,777         | 19%                 | 1,250             | 3%  |
|  | 2016          | 2,358,457  | 211,064         | 9%                  | 1,186             | 3%  |
|  | 2017          | 2,417,500  | 476,839         | 20%                 | 1,135             | 5%  |
| Projected Future Experience (60 Years) | 2018          | 2,685,293  | 587,329         | 22%                 | 1,064             | 6%  |
|  | 2019          | 2,636,282  | 642,819         | 24%                 | 1,050             | 7%  |
|  | 2020          | 2,407,383  | 708,440         | 29%                 | 1,036             | 8%  |
|  | 2021          | 2,350,835  | 784,166         | 33%                 | 1,021             | 10%   |
|  | 2022          | 2,297,443  | 873,210         | 38%                 | 1,006             | 11%   |
|  | 2023          | 2,238,019  | 973,860         | 44%                 | 989               | 12%   |
|  | 2024          | 2,172,131  | 1,091,744       | 50%                 | 971               | 13%   |
|  | 2025          | 2,114,266  | 1,231,015       | 58%                 | 953               | 15%   |
|  | 2026          | 2,056,273  | 1,394,201       | 68%                 | 933               | 16%   |
|  | 2027          | 1,991,929  | 1,582,882       | 79%                 | 913               | 18%   |
|  | 2028          | 1,933,272  | 1,799,729       | 93%                 | 892               | 20%   |
|  | 2029          | 1,871,499  | 2,046,746       | 109%                | 869               | 22%   |
|  | 2030          | 1,808,317  | 2,319,570       | 128%                | 846               | 24%   |
|  | 2031          | 1,743,653  | 2,621,617       | 150%                | 821               | 26%   |
|  | 2032          | 1,676,807  | 2,951,632       | 176%                | 796               | 29%   |
|  | 2033          | 1,607,670  | 3,321,769       | 207%                | 769               | 31%   |
|  | 2034          | 1,535,802  | 3,733,972       | 243%                | 740               | 34%   |
|  | 2035          | 1,460,964  | 4,176,240       | 286%                | 711               | 37%   |
|  | 2036          | 1,384,597  | 4,624,473       | 334%                | 680               | 40%   |
|  | 2037          | 1,302,837  | 5,060,583       | 388%                | 647               | 44%   |
|  | 2038          | 1,219,473  | 5,482,677       | 450%                | 614               | 47%   |
|  | 2039          | 1,138,396  | 5,863,798       | 515%                | 580               | 51%   |
|  | 2040          | 1,056,753  | 6,199,133       | 587%                | 545               | 55%   |
|  | 2041          | 975,156  | 6,473,464       | 664%                | 509               | 58%   |
|  | 2042          | 894,303  | 6,685,743       | 748%                | 474               | 62%   |
|  | 2043          | 814,932  | 6,832,485       | 838%                | 439               | 66%   |
|  | 2044          | 737,708  | 6,913,100       | 937%                | 404               | 69%   |
|  | 2045          | 663,291  | 6,918,408       | 1,043%              | 369               | 72%   |
|  | 2046          | 592,326  | 6,842,032       | 1,155%              | 336               | 76%   |
|  | 2047          | 525,340  | 6,670,942       | 1,270%              | 304               | 79%   |
|  | 2048          | 462,729  | 6,425,096       | 1,389%              | 274               | 81%   |
|  | 2049          | 404,793  | 6,129,390       | 1,514%              | 246               | 84%   |
|  | 2050          | 351,743  | 5,790,394       | 1,646%              | 219               | 86%   |
|  | 2051          | 303,607  | 5,429,083       | 1,788%              | 194               | 88%   |
|  | 2052          | 260,356  | 5,047,246       | 1,939%              | 172               | 90%   |
|  | 2053          | 221,881  | 4,659,713       | 2,100%              | 151               | 92%   |
|  | 2054          | 187,956  | 4,268,732       | 2,271%              | 133               | 93%   |
|  | 2055          | 158,305  | 3,877,103       | 2,449%              | 116               | 95%   |
|  | 2056          | 132,580  | 3,487,358       | 2,630%              | 101               | 96%   |
|  | 2057          | 110,453  | 3,099,637       | 2,806%              | 88                | 97%   |
|  | 2058-2062     | 322,155  | 10,560,574      | 3,278%              | 289               | 100%  |
|  | 2063-2067     | 118,214  | 5,029,430       | 4,255%              | 132               | 101%  |
|  | 2068-2072     | 42,749   | 2,080,716       | 4,867%              | 56                | 101%  |
|  | 2073-2077     | 15,251   | 790,516         | 5,183%              | 21                | 101%  |

**With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest**

|          |            |            |      |
|----------|------------|------------|------|
| History  | 32,675,274 | 1,506,851  | 5%   |
| Future   | 32,398,065 | 64,457,717 | 199% |
| Lifetime | 65,073,339 | 65,964,568 | 101% |

**Attachment 2-b**  
**MedAmerica, Highmark BCBS, and Highmark BS**  
**Earned Premium and Incurred Claim Experience and Projections by Calendar Year**  
**Pennsylvania-Specific Experience After Requested Rate Increase**  
**Individual Simplicity Policy Forms**

|  | Calendar Year | Actual or Projected Experience using Current Assumptions |                 |                     |                   |   |
|--|---------------|--|-----------------|---------------------|-------------------|---|
|  |               | Earned Premium   | Incurred Claims | Incurred Loss Ratio | End of Year Lives | Cumulative Loss Ratio w/ Max. Val. Interest |
| Historical Experience                  | 2004          | 69,238   | 0               | 0%                  | 79                | 0%  |
|  | 2005          | 340,141  | 0               | 0%                  | 234               | 0%  |
|  | 2006          | 828,542  | 0               | 0%                  | 845               | 0%  |
|  | 2007          | 1,454,576  | 3,925           | 0%                  | 1,075             | 0%  |
|  | 2008          | 1,854,358  | 3,584           | 0%                  | 1,428             | 0%  |
|  | 2009          | 2,251,035  | 0               | 0%                  | 1,579             | 0%  |
|  | 2010          | 2,450,306  | 54,170          | 2%                  | 1,573             | 1%  |
|  | 2011          | 2,410,676  | 16,414          | 1%                  | 1,518             | 1%  |
|  | 2012          | 2,344,343  | 0               | 0%                  | 1,472             | 1%  |
|  | 2013          | 2,273,076  | 17,449          | 1%                  | 1,357             | 1%  |
|  | 2014          | 2,406,369  | 123,310         | 5%                  | 1,300             | 1%  |
|  | 2015          | 2,436,491  | 470,777         | 19%                 | 1,250             | 3%  |
|  | 2016          | 2,358,457  | 211,064         | 9%                  | 1,186             | 3%  |
|  | 2017          | 2,417,500  | 476,839         | 20%                 | 1,135             | 5%  |
| Projected Future Experience (60 Years) | 2018          | 2,685,293  | 587,329         | 22%                 | 1,064             | 6%  |
|  | 2019          | 3,093,135  | 630,587         | 20%                 | 996               | 7%  |
|  | 2020          | 3,272,856  | 678,849         | 21%                 | 983               | 8%  |
|  | 2021          | 3,195,883  | 750,806         | 23%                 | 969               | 9%  |
|  | 2022          | 3,124,090  | 835,422         | 27%                 | 954               | 10%   |
|  | 2023          | 3,043,572  | 930,999         | 31%                 | 938               | 11%   |
|  | 2024          | 2,953,357  | 1,042,877       | 35%                 | 922               | 12%   |
|  | 2025          | 2,875,805  | 1,174,974       | 41%                 | 904               | 13%   |
|  | 2026          | 2,798,403  | 1,329,805       | 48%                 | 886               | 14%   |
|  | 2027          | 2,711,124  | 1,508,666       | 56%                 | 867               | 16%   |
|  | 2028          | 2,633,488  | 1,714,012       | 65%                 | 846               | 17%   |
|  | 2029          | 2,551,241  | 1,947,780       | 76%                 | 825               | 19%   |
|  | 2030          | 2,467,114  | 2,205,877       | 89%                 | 803               | 20%   |
|  | 2031          | 2,380,990  | 2,491,559       | 105%                | 780               | 22%   |
|  | 2032          | 2,291,723  | 2,803,736       | 122%                | 756               | 24%   |
|  | 2033          | 2,199,154  | 3,153,929       | 143%                | 730               | 26%   |
|  | 2034          | 2,102,619  | 3,543,948       | 169%                | 703               | 29%   |
|  | 2035          | 2,001,734  | 3,962,675       | 198%                | 675               | 31%   |
|  | 2036          | 1,898,745  | 4,387,170       | 231%                | 646               | 34%   |
|  | 2037          | 1,787,478  | 4,800,253       | 269%                | 615               | 37%   |
|  | 2038          | 1,673,837  | 5,200,318       | 311%                | 584               | 39%   |
|  | 2039          | 1,563,869  | 5,561,737       | 356%                | 551               | 42%   |
|  | 2040          | 1,452,962  | 5,879,969       | 405%                | 518               | 45%   |
|  | 2041          | 1,341,971  | 6,140,571       | 458%                | 485               | 48%   |
|  | 2042          | 1,231,861  | 6,341,959       | 515%                | 451               | 51%   |
|  | 2043          | 1,123,643  | 6,481,020       | 577%                | 417               | 54%   |
|  | 2044          | 1,018,242  | 6,556,822       | 644%                | 384               | 57%   |
|  | 2045          | 916,574  | 6,560,998       | 716%                | 352               | 60%   |
|  | 2046          | 819,525  | 6,487,955       | 792%                | 320               | 62%   |
|  | 2047          | 727,819  | 6,325,488       | 869%                | 290               | 65%   |
|  | 2048          | 642,007  | 6,092,719       | 949%                | 261               | 67%   |
|  | 2049          | 562,500  | 5,812,848       | 1,033%              | 234               | 69%   |
|  | 2050          | 489,586  | 5,491,225       | 1,122%              | 209               | 71%   |
|  | 2051          | 423,312  | 5,147,801       | 1,216%              | 185               | 73%   |
|  | 2052          | 363,647  | 4,784,440       | 1,316%              | 164               | 74%   |
|  | 2053          | 310,453  | 4,415,509       | 1,422%              | 144               | 75%   |
|  | 2054          | 263,438  | 4,043,365       | 1,535%              | 126               | 77%   |
|  | 2055          | 222,242  | 3,670,558       | 1,652%              | 110               | 78%   |
|  | 2056          | 186,408  | 3,300,143       | 1,770%              | 96                | 79%   |
|  | 2057          | 155,502  | 2,932,492       | 1,886%              | 84                | 79%   |
|  | 2058-2062     | 454,536  | 9,981,711       | 2,196%              | 275               | 82%   |
|  | 2063-2067     | 166,832  | 4,735,970       | 2,839%              | 126               | 83%   |
|  | 2068-2072     | 60,177   | 1,947,890       | 3,237%              | 53                | 83%   |
|  | 2073-2077     | 21,429   | 735,946         | 3,434%              | 20                | 83%   |

**With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest**

|          |            |            |      |
|----------|------------|------------|------|
| History  | 32,675,274 | 1,506,851  | 5%   |
| Future   | 42,799,001 | 61,215,230 | 143% |
| Lifetime | 75,474,275 | 62,722,081 | 83%  |

**Attachment 3-a**  
**MedAmerica, Highmark BCBS, and Highmark BS**  
**Written Premium and Paid Claim Experience and Projections by Calendar Year**  
**Pennsylvania-Specific Experience Before Requested Rate Increase**  
**Individual Simplicity Policy Forms**

|  | Calendar Year | Actual or Projected Experience using Current Assumptions |             |            |   |
|--|---------------|--|-------------|------------|---|
|  |               | Without Interest   |             |            | Cumulative Loss Ratio w/ Max. Val. Interest |
|  |               | Written Premium  | Paid Claims | Loss Ratio |   |
| Historical Experience                  | 2004          | 119,848  | 0           | 0%         | 0%  |
|  | 2005          | 416,507  | 0           | 0%         | 0%  |
|  | 2006          | 1,009,950  | 0           | 0%         | 0%  |
|  | 2007          | 1,549,076  | 4,198       | 0%         | 0%  |
|  | 2008          | 1,999,839  | 0           | 0%         | 0%  |
|  | 2009          | 2,358,115  | 3,696       | 0%         | 0%  |
|  | 2010          | 2,449,376  | 17,353      | 1%         | 0%  |
|  | 2011          | 2,401,817  | 42,900      | 2%         | 1%  |
|  | 2012          | 2,334,250  | 13,258      | 1%         | 1%  |
|  | 2013          | 2,294,187  | 18,149      | 1%         | 1%  |
|  | 2014          | 2,438,342  | 0           | 0%         | 0%  |
|  | 2015          | 2,428,099  | 144,160     | 6%         | 1%  |
|  | 2016          | 2,331,759  | 227,903     | 10%        | 2%  |
|  | 2017          | 2,504,734  | 326,721     | 13%        | 3%  |
| Projected Future Experience (60 Years) | 2018          | 2,728,571  | 305,280     | 11%        | 3%  |
|  | 2019          | 2,511,074  | 411,114     | 16%        | 4%  |
|  | 2020          | 2,388,296  | 501,799     | 21%        | 5%  |
|  | 2021          | 2,332,576  | 589,987     | 25%        | 6%  |
|  | 2022          | 2,283,274  | 680,897     | 30%        | 7%  |
|  | 2023          | 2,220,724  | 775,546     | 35%        | 8%  |
|  | 2024          | 2,155,900  | 876,720     | 41%        | 9%  |
|  | 2025          | 2,098,204  | 989,226     | 47%        | 10%   |
|  | 2026          | 2,036,489  | 1,117,276   | 55%        | 11%   |
|  | 2027          | 1,974,807  | 1,263,965   | 64%        | 13%   |
|  | 2028          | 1,916,152  | 1,432,109   | 75%        | 14%   |
|  | 2029          | 1,853,788  | 1,624,431   | 88%        | 16%   |
|  | 2030          | 1,790,345  | 1,842,374   | 103%       | 17%   |
|  | 2031          | 1,725,231  | 2,087,294   | 121%       | 19%   |
|  | 2032          | 1,657,923  | 2,360,475   | 142%       | 21%   |
|  | 2033          | 1,588,248  | 2,665,031   | 168%       | 23%   |
|  | 2034          | 1,515,040  | 3,004,553   | 198%       | 26%   |
|  | 2035          | 1,440,440  | 3,379,156   | 235%       | 28%   |
|  | 2036          | 1,363,624  | 3,783,269   | 277%       | 31%   |
|  | 2037          | 1,281,483  | 4,207,428   | 328%       | 34%   |
|  | 2038          | 1,197,853  | 4,642,921   | 388%       | 37%   |
|  | 2039          | 1,116,655  | 5,077,416   | 455%       | 40%   |
|  | 2040          | 1,035,045  | 5,498,572   | 531%       | 43%   |
|  | 2041          | 953,658  | 5,892,995   | 618%       | 46%   |
|  | 2042          | 873,230  | 6,249,677   | 716%       | 50%   |
|  | 2043          | 794,452  | 6,559,898   | 826%       | 53%   |
|  | 2044          | 717,970  | 6,816,536   | 949%       | 57%   |
|  | 2045          | 644,472  | 7,012,716   | 1,088%     | 60%   |
|  | 2046          | 574,573  | 7,141,464   | 1,243%     | 63%   |
|  | 2047          | 508,762  | 7,194,822   | 1,414%     | 67%   |
|  | 2048          | 447,376  | 7,170,376   | 1,603%     | 70%   |
|  | 2049          | 390,705  | 7,071,943   | 1,810%     | 73%   |
|  | 2050          | 338,929  | 6,905,122   | 2,037%     | 76%   |
|  | 2051          | 292,054  | 6,678,890   | 2,287%     | 78%   |
|  | 2052          | 250,046  | 6,402,328   | 2,560%     | 81%   |
|  | 2053          | 212,747  | 6,086,035   | 2,861%     | 83%   |
|  | 2054          | 179,927  | 5,739,786   | 3,190%     | 85%   |
|  | 2055          | 151,286  | 5,371,589   | 3,551%     | 87%   |
|  | 2056          | 126,488  | 4,987,830   | 3,943%     | 88%   |
|  | 2057          | 105,196  | 4,593,423   | 4,367%     | 90%   |
|  | 2058-2062     | 305,650  | 17,172,609  | 5,618%     | 94%   |
|  | 2063-2067     | 111,588  | 9,304,575   | 8,338%     | 96%   |
|  | 2068-2072     | 40,329   | 4,386,941   | 10,878%    | 97%   |
|  | 2073-2077     | 14,364   | 1,835,223   | 12,776%    | 98%   |

**With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest**

|          |            |            |      |
|----------|------------|------------|------|
| History  | 33,773,981 | 867,160    | 3%   |
| Future   | 32,001,512 | 63,299,581 | 198% |
| Lifetime | 65,775,493 | 64,165,849 | 98%  |

**Attachment 3-b**  
**MedAmerica, Highmark BCBS, and Highmark BS**  
**Written Premium and Paid Claim Experience and Projections by Calendar Year**  
**Pennsylvania-Specific Experience After Requested Rate Increase**  
**Individual Simplicity Policy Forms**

|  | Calendar Year | Actual or Projected Experience using Current Assumptions |             |            |   |
|--|---------------|--|-------------|------------|---|
|  |               | Without Interest   |             |            | Cumulative Loss Ratio w/ Max. Val. Interest |
|  |               | Written Premium  | Paid Claims | Loss Ratio |   |
| Historical Experience                  | 2004          | 119,848  | 0           | 0%         | 0%  |
|  | 2005          | 416,507  | 0           | 0%         | 0%  |
|  | 2006          | 1,009,950  | 0           | 0%         | 0%  |
|  | 2007          | 1,549,076  | 4,198       | 0%         | 0%  |
|  | 2008          | 1,999,839  | 0           | 0%         | 0%  |
|  | 2009          | 2,358,115  | 3,696       | 0%         | 0%  |
|  | 2010          | 2,449,376  | 17,353      | 1%         | 0%  |
|  | 2011          | 2,401,817  | 42,900      | 2%         | 1%  |
|  | 2012          | 2,334,250  | 13,258      | 1%         | 1%  |
|  | 2013          | 2,294,187  | 18,149      | 1%         | 1%  |
|  | 2014          | 2,438,342  | 0           | 0%         | 0%  |
|  | 2015          | 2,428,099  | 144,160     | 6%         | 1%  |
|  | 2016          | 2,331,759  | 227,903     | 10%        | 2%  |
|  | 2017          | 2,504,734  | 326,721     | 13%        | 3%  |
| Projected Future Experience (60 Years) | 2018          | 2,728,586  | 305,280     | 11%        | 3%  |
|  | 2019          | 3,198,484  | 408,554     | 13%        | 4%  |
|  | 2020          | 3,246,989  | 492,741     | 15%        | 5%  |
|  | 2021          | 3,171,247  | 574,033     | 18%        | 6%  |
|  | 2022          | 3,105,881  | 658,582     | 21%        | 6%  |
|  | 2023          | 3,020,652  | 747,124     | 25%        | 7%  |
|  | 2024          | 2,932,151  | 842,136     | 29%        | 8%  |
|  | 2025          | 2,854,915  | 948,124     | 33%        | 9%  |
|  | 2026          | 2,771,634  | 1,069,090   | 39%        | 10%   |
|  | 2027          | 2,688,664  | 1,207,896   | 45%        | 11%   |
|  | 2028          | 2,611,088  | 1,367,084   | 52%        | 12%   |
|  | 2029          | 2,527,928  | 1,549,156   | 61%        | 14%   |
|  | 2030          | 2,443,422  | 1,755,436   | 72%        | 15%   |
|  | 2031          | 2,356,616  | 1,987,200   | 84%        | 16%   |
|  | 2032          | 2,266,649  | 2,245,680   | 99%        | 18%   |
|  | 2033          | 2,173,278  | 2,533,842   | 117%       | 20%   |
|  | 2034          | 2,074,679  | 2,855,101   | 138%       | 22%   |
|  | 2035          | 1,974,221  | 3,209,628   | 163%       | 24%   |
|  | 2036          | 1,870,552  | 3,592,184   | 192%       | 26%   |
|  | 2037          | 1,758,698  | 3,993,797   | 227%       | 28%   |
|  | 2038          | 1,644,631  | 4,406,238   | 268%       | 30%   |
|  | 2039          | 1,534,436  | 4,817,845   | 314%       | 33%   |
|  | 2040          | 1,423,519  | 5,216,951   | 366%       | 36%   |
|  | 2041          | 1,312,766  | 5,590,870   | 426%       | 38%   |
|  | 2042          | 1,203,188  | 5,929,064   | 493%       | 41%   |
|  | 2043          | 1,095,737  | 6,223,183   | 568%       | 44%   |
|  | 2044          | 991,312  | 6,466,354   | 652%       | 47%   |
|  | 2045          | 890,866  | 6,652,013   | 747%       | 50%   |
|  | 2046          | 795,239  | 6,773,616   | 852%       | 52%   |
|  | 2047          | 705,111  | 6,823,712   | 968%       | 55%   |
|  | 2048          | 620,946  | 6,800,149   | 1,095%     | 57%   |
|  | 2049          | 543,141  | 6,706,596   | 1,235%     | 60%   |
|  | 2050          | 471,947  | 6,548,211   | 1,387%     | 62%   |
|  | 2051          | 407,376  | 6,333,333   | 1,555%     | 64%   |
|  | 2052          | 349,394  | 6,070,489   | 1,737%     | 66%   |
|  | 2053          | 297,797  | 5,769,739   | 1,937%     | 68%   |
|  | 2054          | 252,284  | 5,440,419   | 2,156%     | 70%   |
|  | 2055          | 212,466  | 5,090,148   | 2,396%     | 71%   |
|  | 2056          | 177,901  | 4,725,113   | 2,656%     | 72%   |
|  | 2057          | 148,143  | 4,350,187   | 2,936%     | 73%   |
|  | 2058-2062     | 431,305  | 16,249,754  | 3,768%     | 77%   |
|  | 2063-2067     | 157,459  | 8,785,142   | 5,579%     | 79%   |
|  | 2068-2072     | 56,760   | 4,126,286   | 7,270%     | 80%   |
|  | 2073-2077     | 20,180   | 1,717,946   | 8,513%     | 80%   |

**With Interest Accum./Disc. To 12/31/2017 at Max. Val. Interest**

|          |            |            |      |
|----------|------------|------------|------|
| History  | 33,773,981 | 867,160    | 3%   |
| Future   | 42,510,065 | 60,147,228 | 141% |
| Lifetime | 76,284,047 | 61,013,496 | 80%  |

**Attachment 4**  
**MedAmerica and Affinity Partners**  
**Breakdown of Historical Incurred Claims and Reserve Balances at December 31, 2017**  
**Individual Simplicity Policy Forms**

**Nationwide Experience**

| Incurred Year | Discounted to the Year of Incurral |             |                       |              |                                    | Year-End Active Life Reserve <sup>[3]</sup> |
|---------------|------------------------------------|-------------|-----------------------|--------------|------------------------------------|---|
|               | Incurred Claims <sup>[1]</sup>     | Paid Claims | Disabled Life Reserve | IBNR Reserve | Total Claim Reserve <sup>[2]</sup> |   |
| 2004          | 299,291                            | 299,291     | 0                     |              | 0                                  |   |
| 2005          | 704,251                            | 704,251     | 0                     |              | 0                                  |   |
| 2006          | 127,091                            | 127,091     | 0                     |              | 0                                  |   |
| 2007          | 1,345,984                          | 1,238,711   | 107,273               |              | 107,273                            |   |
| 2008          | 2,657,405                          | 2,657,405   | 0                     |              | 0                                  |   |
| 2009          | 2,007,154                          | 1,764,322   | 242,832               |              | 242,832                            |   |
| 2010          | 3,496,980                          | 3,346,939   | 150,041               |              | 150,041                            |   |
| 2011          | 4,686,403                          | 4,609,029   | 77,374                |              | 77,374                             |   |
| 2012          | 5,101,770                          | 4,750,427   | 351,343               |              | 351,343                            |   |
| 2013          | 7,251,547                          | 6,358,859   | 892,688               |              | 892,688                            |   |
| 2014          | 12,095,718                         | 8,271,654   | 3,824,064             |              | 3,824,064                          |   |
| 2015          | 9,972,838                          | 6,763,035   | 3,209,803             |              | 3,209,803                          |   |
| 2016          | 13,665,626                         | 6,447,334   | 7,218,293             |              | 7,218,293                          |   |
| 2017          | 12,402,091                         | 2,022,123   | 8,413,263             | 1,966,705    | 10,379,969                         | 385,767,701                                 |

**Pennsylvania-Specific Experience**

| Incurred Year | Discounted to the Year of Incurral |             |                       |              |                                    | Year-End Active Life Reserve <sup>[3]</sup> |
|---------------|------------------------------------|-------------|-----------------------|--------------|------------------------------------|---|
|               | Incurred Claims <sup>[1]</sup>     | Paid Claims | Disabled Life Reserve | IBNR Reserve | Total Claim Reserve <sup>[2]</sup> |   |
| 2004          | 0                                  | 0           | 0                     |              | 0                                  |   |
| 2005          | 0                                  | 0           | 0                     |              | 0                                  |   |
| 2006          | 0                                  | 0           | 0                     |              | 0                                  |   |
| 2007          | 3,925                              | 3,925       | 0                     |              | 0                                  |   |
| 2008          | 3,584                              | 3,584       | 0                     |              | 0                                  |   |
| 2009          | 0                                  | 0           | 0                     |              | 0                                  |   |
| 2010          | 54,170                             | 54,170      | 0                     |              | 0                                  |   |
| 2011          | 16,414                             | 16,414      | 0                     |              | 0                                  |   |
| 2012          | 0                                  | 0           | 0                     |              | 0                                  |   |
| 2013          | 17,449                             | 17,449      | 0                     |              | 0                                  |   |
| 2014          | 123,310                            | 123,310     | 0                     |              | 0                                  |   |
| 2015          | 470,777                            | 320,536     | 150,240               |              | 150,240                            |   |
| 2016          | 211,064                            | 154,936     | 56,128                |              | 56,128                             |   |
| 2017          | 476,839                            | 69,424      | 311,818               | 95,597       | 407,414                            | 23,864,376                                  |

[1] Incurred claims are the sum of paid claims, disabled life reserve, and incurred but not reported (IBNR) reserve.

[2] Claim reserve is the sum of disabled life reserve and IBNR reserve.

[3] Active life reserve is defined as interpolated terminal reserves plus unearned premium reserves.



**Attachment 5-a**  
**MedAmerica and Affinity Partners**  
**Nationwide Experience by Policy Year - Before Requested Rate Increase**  
**Individual Simplicity Policy Forms**

| Policy Year | Actual and Projected Experience using Current Assumptions |                 |                     |                   |   |
|-------------|---|-----------------|---------------------|-------------------|---|
|             | Earned Premium  | Incurred Claims | Incurred Loss Ratio | End of Year Lives | Cumulative Loss Ratio w/ Max. Val. Interest |
| 1           | 45,076,478  | 1,722,476       | 4%                  | 25,215            | 4%  |
| 2           | 42,740,210  | 1,167,457       | 3%                  | 23,615            | 3%  |
| 3           | 40,985,685  | 3,016,197       | 7%                  | 22,490            | 5%  |
| 4           | 39,557,361  | 3,138,770       | 8%                  | 21,557            | 5%  |
| 5           | 38,324,283  | 3,212,040       | 8%                  | 20,792            | 6%  |
| 6           | 37,513,666  | 4,793,305       | 13%                 | 20,081            | 7%  |
| 7           | 36,979,820  | 7,092,507       | 19%                 | 19,323            | 8%  |
| 8           | 37,212,333  | 7,026,634       | 19%                 | 18,680            | 9%  |
| 9           | 37,728,089  | 10,341,782      | 27%                 | 18,035            | 11%   |
| 10          | 38,433,825  | 14,418,140      | 38%                 | 17,301            | 13%   |
| 11          | 29,438,947  | 10,545,872      | 36%                 | 16,444            | 14%   |
| 12          | 30,742,975  | 15,278,948      | 50%                 | 15,878            | 16%   |
| 13          | 32,050,545  | 12,921,442      | 40%                 | 15,417            | 17%   |
| 14          | 33,079,668  | 14,283,277      | 43%                 | 15,072            | 19%   |
| 15          | 33,318,313  | 15,663,797      | 47%                 | 14,784            | 20%   |
| 16          | 32,690,132  | 17,388,902      | 53%                 | 14,507            | 21%   |
| 17          | 31,756,774  | 19,676,247      | 62%                 | 14,215            | 23%   |
| 18          | 30,775,454  | 22,305,654      | 72%                 | 13,907            | 24%   |
| 19          | 29,781,103  | 25,138,161      | 84%                 | 13,583            | 26%   |
| 20          | 28,766,058  | 28,227,544      | 98%                 | 13,244            | 28%   |
| 21          | 27,693,302  | 31,630,689      | 114%                | 12,890            | 30%   |
| 22          | 26,611,122  | 35,361,513      | 133%                | 12,521            | 32%   |
| 23          | 25,515,364  | 39,549,151      | 155%                | 12,136            | 35%   |
| 24          | 24,362,425  | 44,010,807      | 181%                | 11,736            | 37%   |
| 25          | 23,223,535  | 48,630,422      | 209%                | 11,321            | 40%   |
| 26          | 22,074,776  | 53,433,887      | 242%                | 10,891            | 43%   |
| 27          | 20,892,804  | 58,570,463      | 280%                | 10,446            | 46%   |
| 28          | 19,696,462  | 63,657,497      | 323%                | 9,987             | 49%   |
| 29          | 18,500,129  | 68,750,507      | 372%                | 9,514             | 52%   |
| 30          | 17,302,722  | 73,606,829      | 425%                | 9,030             | 55%   |
| 31          | 16,098,819  | 78,144,933      | 485%                | 8,536             | 59%   |
| 32          | 14,889,004  | 82,221,233      | 552%                | 8,036             | 62%   |
| 33          | 13,703,629  | 85,577,487      | 624%                | 7,532             | 66%   |
| 34          | 12,538,051  | 88,113,510      | 703%                | 7,029             | 69%   |
| 35          | 11,408,729  | 89,651,746      | 786%                | 6,530             | 73%   |
| 36          | 10,324,061  | 90,307,574      | 875%                | 6,039             | 76%   |
| 37          | 9,283,385   | 90,057,509      | 970%                | 5,559             | 79%   |
| 38          | 8,299,871   | 89,024,786      | 1,073%              | 5,093             | 82%   |
| 39          | 7,374,732   | 87,362,044      | 1,185%              | 4,645             | 85%   |
| 40          | 6,515,958   | 85,051,591      | 1,305%              | 4,219             | 88%   |
| 41          | 5,727,320   | 82,097,510      | 1,433%              | 3,815             | 90%   |
| 42          | 5,005,535   | 78,587,480      | 1,570%              | 3,436             | 92%   |
| 43          | 4,351,370   | 74,766,695      | 1,718%              | 3,081             | 94%   |
| 44          | 3,762,455   | 70,696,595      | 1,879%              | 2,753             | 96%   |
| 45          | 3,239,247   | 66,476,235      | 2,052%              | 2,451             | 98%   |
| 46          | 2,777,226   | 62,213,236      | 2,240%              | 2,175             | 100%  |
| 47          | 2,370,387   | 57,997,579      | 2,447%              | 1,923             | 101%  |
| 48          | 2,015,868   | 53,823,667      | 2,670%              | 1,695             | 102%  |
| 49          | 1,708,248   | 49,728,628      | 2,911%              | 1,489             | 103%  |
| 50          | 1,443,056   | 45,743,800      | 3,170%              | 1,304             | 104%  |
| 51-55       | 4,399,227   | 171,986,617     | 3,909%              | 4,378             | 108%  |
| 56-60       | 1,749,645   | 96,479,480      | 5,514%              | 2,057             | 109%  |
| 61-65       | 646,899   | 45,004,811      | 6,957%              | 871               | 110%  |
| 66-70       | 218,968   | 16,986,159      | 7,757%              | 321               | 110%  |
| Total       | 1,082,676,047   | 2,592,661,824   | 239%                | 559,576           | 110%  |

**Attachment 5-b**  
**MedAmerica and Affinity Partners**  
**Nationwide Experience by Policy Year - After Requested Rate Increase**  
**Individual Simplicity Policy Forms**

| Policy Year | Actual and Projected Experience using Current Assumptions |                 |                     |                   |   |
|-------------|---|-----------------|---------------------|-------------------|---|
|             | Earned Premium  | Incurred Claims | Incurred Loss Ratio | End of Year Lives | Cumulative Loss Ratio w/ Max. Val. Interest |
| 1           | 45,076,478  | 1,722,476       | 4%                  | 25,215            | 4%  |
| 2           | 42,740,210  | 1,167,457       | 3%                  | 23,615            | 3%  |
| 3           | 40,985,685  | 3,016,197       | 7%                  | 22,490            | 5%  |
| 4           | 39,557,361  | 3,138,770       | 8%                  | 21,557            | 5%  |
| 5           | 38,324,283  | 3,212,040       | 8%                  | 20,792            | 6%  |
| 6           | 37,751,167  | 4,792,706       | 13%                 | 20,073            | 7%  |
| 7           | 38,225,606  | 7,088,354       | 19%                 | 19,282            | 8%  |
| 8           | 39,326,757  | 7,013,129       | 18%                 | 18,624            | 9%  |
| 9           | 40,258,840  | 10,316,532      | 26%                 | 17,965            | 11%   |
| 10          | 41,342,482  | 14,378,713      | 35%                 | 17,220            | 13%   |
| 11          | 31,971,258  | 10,485,164      | 33%                 | 16,342            | 14%   |
| 12          | 33,994,091  | 15,174,102      | 45%                 | 15,698            | 16%   |
| 13          | 36,910,314  | 12,702,382      | 34%                 | 15,044            | 17%   |
| 14          | 40,343,117  | 13,861,596      | 34%                 | 14,492            | 18%   |
| 15          | 43,013,895  | 14,969,900      | 35%                 | 14,030            | 19%   |
| 16          | 44,118,263  | 16,428,942      | 37%                 | 13,700            | 20%   |
| 17          | 43,860,164  | 18,493,641      | 42%                 | 13,399            | 21%   |
| 18          | 42,952,807  | 20,916,959      | 49%                 | 13,104            | 22%   |
| 19          | 41,692,970  | 23,545,744      | 56%                 | 12,800            | 23%   |
| 20          | 40,329,102  | 26,415,600      | 66%                 | 12,482            | 24%   |
| 21          | 38,851,403  | 29,576,183      | 76%                 | 12,151            | 26%   |
| 22          | 37,358,066  | 33,038,330      | 88%                 | 11,804            | 28%   |
| 23          | 35,858,810  | 36,922,201      | 103%                | 11,443            | 30%   |
| 24          | 34,283,419  | 41,057,145      | 120%                | 11,068            | 31%   |
| 25          | 32,727,335  | 45,337,480      | 139%                | 10,679            | 34%   |
| 26          | 31,151,916  | 49,787,261      | 160%                | 10,275            | 36%   |
| 27          | 29,526,005  | 54,549,182      | 185%                | 9,858             | 38%   |
| 28          | 27,874,449  | 59,267,037      | 213%                | 9,427             | 41%   |
| 29          | 26,228,952  | 63,993,814      | 244%                | 8,983             | 43%   |
| 30          | 24,576,723  | 68,501,616      | 279%                | 8,529             | 46%   |
| 31          | 22,908,957  | 72,714,796      | 317%                | 8,065             | 48%   |
| 32          | 21,226,839  | 76,502,511      | 360%                | 7,595             | 51%   |
| 33          | 19,578,140  | 79,623,466      | 407%                | 7,121             | 54%   |
| 34          | 17,950,761  | 81,983,957      | 457%                | 6,648             | 57%   |
| 35          | 16,370,872  | 83,422,871      | 510%                | 6,178             | 59%   |
| 36          | 14,850,925  | 84,046,797      | 566%                | 5,716             | 62%   |
| 37          | 13,386,117  | 83,834,713      | 626%                | 5,263             | 64%   |
| 38          | 11,999,509  | 82,898,593      | 691%                | 4,824             | 67%   |
| 39          | 10,689,860  | 81,384,997      | 761%                | 4,402             | 69%   |
| 40          | 9,472,026   | 79,271,892      | 837%                | 3,999             | 71%   |
| 41          | 8,349,458   | 76,560,793      | 917%                | 3,618             | 73%   |
| 42          | 7,317,653   | 73,335,980      | 1,002%              | 3,259             | 75%   |
| 43          | 6,379,814   | 69,821,610      | 1,094%              | 2,924             | 76%   |
| 44          | 5,532,683   | 66,071,021      | 1,194%              | 2,613             | 78%   |
| 45          | 4,777,114   | 62,177,395      | 1,302%              | 2,328             | 79%   |
| 46          | 4,107,077   | 58,239,830      | 1,418%              | 2,066             | 80%   |
| 47          | 3,514,826   | 54,342,306      | 1,546%              | 1,827             | 82%   |
| 48          | 2,996,353   | 50,476,436      | 1,685%              | 1,611             | 83%   |
| 49          | 2,544,612   | 46,676,173      | 1,834%              | 1,415             | 83%   |
| 50          | 2,153,647   | 42,970,553      | 1,995%              | 1,240             | 84%   |
| 51-55       | 6,587,476   | 161,785,298     | 2,456%              | 4,165             | 87%   |
| 56-60       | 2,626,541   | 90,804,884      | 3,457%              | 1,957             | 88%   |
| 61-65       | 971,960   | 42,249,656      | 4,347%              | 828               | 89%   |
| 66-70       | 330,023   | 15,910,518      | 4,821%              | 305               | 89%   |
| Total       | 1,337,835,170   | 2,427,977,698   | 181%                | 542,108           | 89%   |

**Attachment 6-a**  
**MedAmerica, Highmark BCBS, and Highmark BS**  
**Pennsylvania-Specific Experience by Policy Year - Before Requested Rate Increase**  
**Individual Simplicity Policy Forms**

| Policy Year | Actual and Projected Experience using Current Assumptions |                 |                     |                   |   |
|-------------|---|-----------------|---------------------|-------------------|---|
|             | Earned Premium  | Incurred Claims | Incurred Loss Ratio | End of Year Lives | Cumulative Loss Ratio w/ Max. Val. Interest |
| 1           | 2,699,589   | 0               | 0%                  | 1,715             | 0%  |
| 2           | 2,586,142   | 3,584           | 0%                  | 1,633             | 0%  |
| 3           | 2,488,477   | 3,925           | 0%                  | 1,596             | 0%  |
| 4           | 2,447,138   | 10,183          | 0%                  | 1,556             | 0%  |
| 5           | 2,434,460   | 55,251          | 2%                  | 1,502             | 1%  |
| 6           | 2,408,432   | 0               | 0%                  | 1,418             | 0%  |
| 7           | 2,410,490   | 121,278         | 5%                  | 1,328             | 1%  |
| 8           | 2,461,867   | 124,044         | 5%                  | 1,255             | 1%  |
| 9           | 2,594,188   | 363,346         | 14%                 | 1,201             | 3%  |
| 10          | 2,792,614   | 177,380         | 6%                  | 1,155             | 3%  |
| 11          | 2,211,556   | 687,201         | 31%                 | 1,113             | 5%  |
| 12          | 2,345,242   | 517,410         | 22%                 | 1,078             | 6%  |
| 13          | 2,365,206   | 541,210         | 23%                 | 1,051             | 7%  |
| 14          | 2,376,271   | 702,712         | 30%                 | 1,034             | 8%  |
| 15          | 2,348,914   | 793,428         | 34%                 | 1,017             | 9%  |
| 16          | 2,277,686   | 881,157         | 39%                 | 1,001             | 11%   |
| 17          | 2,223,708   | 1,000,410       | 45%                 | 984               | 12%   |
| 18          | 2,167,096   | 1,138,377       | 53%                 | 966               | 13%   |
| 19          | 2,104,166   | 1,293,150       | 61%                 | 947               | 15%   |
| 20          | 2,045,231   | 1,470,271       | 72%                 | 927               | 16%   |
| 21          | 1,979,564   | 1,679,057       | 85%                 | 906               | 18%   |
| 22          | 1,919,769   | 1,920,120       | 100%                | 884               | 20%   |
| 23          | 1,855,530   | 2,194,944       | 118%                | 861               | 22%   |
| 24          | 1,791,005   | 2,497,220       | 139%                | 837               | 24%   |
| 25          | 1,724,052   | 2,821,263       | 164%                | 812               | 27%   |
| 26          | 1,654,618   | 3,173,516       | 192%                | 785               | 29%   |
| 27          | 1,582,656   | 3,561,436       | 225%                | 757               | 32%   |
| 28          | 1,508,184   | 3,972,948       | 263%                | 728               | 35%   |
| 29          | 1,430,299   | 4,405,575       | 308%                | 697               | 38%   |
| 30          | 1,351,316   | 4,849,530       | 359%                | 666               | 42%   |
| 31          | 1,270,545   | 5,287,804       | 416%                | 632               | 45%   |
| 32          | 1,181,640   | 5,700,867       | 482%                | 598               | 49%   |
| 33          | 1,098,756   | 6,054,829       | 551%                | 564               | 53%   |
| 34          | 1,015,785   | 6,348,612       | 625%                | 528               | 57%   |
| 35          | 933,449   | 6,573,169       | 704%                | 493               | 60%   |
| 36          | 852,381   | 6,737,923       | 790%                | 457               | 64%   |
| 37          | 773,253   | 6,827,981       | 883%                | 422               | 68%   |
| 38          | 696,747   | 6,842,807       | 982%                | 387               | 71%   |
| 39          | 623,617   | 6,801,493       | 1,091%              | 354               | 74%   |
| 40          | 554,432   | 6,697,175       | 1,208%              | 322               | 77%   |
| 41          | 489,544   | 6,513,981       | 1,331%              | 291               | 80%   |
| 42          | 429,240   | 6,255,317       | 1,457%              | 261               | 83%   |
| 43          | 373,778   | 5,945,563       | 1,591%              | 234               | 85%   |
| 44          | 323,319   | 5,604,089       | 1,733%              | 209               | 88%   |
| 45          | 277,872   | 5,245,161       | 1,888%              | 185               | 90%   |
| 46          | 237,321   | 4,866,796       | 2,051%              | 164               | 92%   |
| 47          | 201,408   | 4,483,786       | 2,226%              | 144               | 93%   |
| 48          | 169,885   | 4,092,434       | 2,409%              | 126               | 95%   |
| 49          | 142,468   | 3,706,048       | 2,601%              | 111               | 96%   |
| 50          | 118,844   | 3,338,566       | 2,809%              | 96                | 97%   |
| 51-55       | 346,953   | 11,744,412      | 3,385%              | 319               | 100%  |
| 56-60       | 125,678   | 5,704,050       | 4,539%              | 146               | 102%  |
| 61-65       | 43,815  | 2,321,175       | 5,298%              | 60                | 102%  |
| 66-70       | 15,142  | 842,583         | 5,564%              | 22                | 102%  |
| Total       | 76,881,340  | 175,496,545     | 228%                | 39,537            | 102%  |

**Attachment 6-b**  
**MedAmerica, Highmark BCBS, and Highmark BS**  
**Pennsylvania-Specific Experience by Policy Year - After Requested Rate Increase**  
**Individual Simplicity Policy Forms**

| Policy Year | Actual and Projected Experience using Current Assumptions |                 |                     |                   |   |
|-------------|---|-----------------|---------------------|-------------------|---|
|             | Earned Premium  | Incurred Claims | Incurred Loss Ratio | End of Year Lives | Cumulative Loss Ratio w/ Max. Val. Interest |
| 1           | 2,699,589   | 0               | 0%                  | 1,715             | 0%  |
| 2           | 2,586,142   | 3,584           | 0%                  | 1,633             | 0%  |
| 3           | 2,488,477   | 3,925           | 0%                  | 1,596             | 0%  |
| 4           | 2,447,138   | 10,183          | 0%                  | 1,556             | 0%  |
| 5           | 2,434,460   | 55,251          | 2%                  | 1,502             | 1%  |
| 6           | 2,408,432   | 0               | 0%                  | 1,418             | 0%  |
| 7           | 2,410,490   | 121,278         | 5%                  | 1,328             | 1%  |
| 8           | 2,461,867   | 124,044         | 5%                  | 1,255             | 1%  |
| 9           | 2,599,192   | 363,345         | 14%                 | 1,201             | 3%  |
| 10          | 2,860,931   | 176,829         | 6%                  | 1,150             | 3%  |
| 11          | 2,382,449   | 683,991         | 29%                 | 1,098             | 5%  |
| 12          | 2,685,059   | 509,604         | 19%                 | 1,053             | 6%  |
| 13          | 2,873,142   | 527,414         | 18%                 | 1,011             | 7%  |
| 14          | 3,083,378   | 679,542         | 22%                 | 985               | 8%  |
| 15          | 3,137,520   | 763,103         | 24%                 | 966               | 9%  |
| 16          | 3,080,196   | 843,749         | 27%                 | 950               | 10%   |
| 17          | 3,020,464   | 956,506         | 32%                 | 934               | 11%   |
| 18          | 2,944,799   | 1,087,626       | 37%                 | 917               | 12%   |
| 19          | 2,859,571   | 1,234,502       | 43%                 | 899               | 13%   |
| 20          | 2,780,973   | 1,402,579       | 50%                 | 880               | 14%   |
| 21          | 2,691,866   | 1,600,616       | 59%                 | 860               | 16%   |
| 22          | 2,612,896   | 1,829,189       | 70%                 | 840               | 17%   |
| 23          | 2,527,241   | 2,089,641       | 83%                 | 818               | 19%   |
| 24          | 2,441,611   | 2,375,937       | 97%                 | 795               | 21%   |
| 25          | 2,352,529   | 2,682,516       | 114%                | 771               | 23%   |
| 26          | 2,259,901   | 3,015,692       | 133%                | 746               | 25%   |
| 27          | 2,163,648   | 3,382,636       | 156%                | 720               | 27%   |
| 28          | 2,063,780   | 3,772,009       | 183%                | 692               | 30%   |
| 29          | 1,958,832   | 4,181,516       | 213%                | 663               | 32%   |
| 30          | 1,852,395   | 4,601,801       | 248%                | 632               | 35%   |
| 31          | 1,743,306   | 5,016,944       | 288%                | 601               | 38%   |
| 32          | 1,621,445   | 5,407,979       | 334%                | 569               | 41%   |
| 33          | 1,509,072   | 5,742,809       | 381%                | 536               | 44%   |
| 34          | 1,396,401   | 6,020,369       | 431%                | 502               | 47%   |
| 35          | 1,284,433   | 6,232,224       | 485%                | 469               | 50%   |
| 36          | 1,174,053   | 6,387,277       | 544%                | 435               | 53%   |
| 37          | 1,066,189   | 6,471,790       | 607%                | 402               | 56%   |
| 38          | 961,794   | 6,484,733       | 674%                | 369               | 58%   |
| 39          | 861,900   | 6,444,773       | 748%                | 337               | 61%   |
| 40          | 767,296   | 6,345,222       | 827%                | 306               | 64%   |
| 41          | 678,468   | 6,171,266       | 910%                | 277               | 66%   |
| 42          | 595,810   | 5,925,893       | 995%                | 249               | 68%   |
| 43          | 519,678   | 5,632,450       | 1,084%              | 223               | 70%   |
| 44          | 450,297   | 5,308,633       | 1,179%              | 199               | 72%   |
| 45          | 387,692   | 4,968,239       | 1,281%              | 177               | 74%   |
| 46          | 331,710   | 4,609,357       | 1,390%              | 156               | 75%   |
| 47          | 282,014   | 4,246,058       | 1,506%              | 137               | 76%   |
| 48          | 238,280   | 3,875,220       | 1,626%              | 121               | 77%   |
| 49          | 200,141   | 3,508,979       | 1,753%              | 106               | 78%   |
| 50          | 167,194   | 3,160,740       | 1,890%              | 92                | 79%   |
| 51-55       | 489,351   | 11,117,862      | 2,272%              | 305               | 82%   |
| 56-60       | 177,450   | 5,392,038       | 3,039%              | 139               | 83%   |
| 61-65       | 61,740  | 2,184,077       | 3,538%              | 57                | 84%   |
| 66-70       | 21,304  | 787,641         | 3,697%              | 20                | 84%   |
| Total       | 94,155,983  | 166,521,178     | 177%                | 38,365            | 84%   |

Letter of Authorization

To: Department of Insurance

MedAmerica Insurance Company ("MedAmerica") has entered into a service agreement with Milliman, Inc. ("Milliman") effective November 1, 2007, that includes long-term care rate filing services on our behalf. The agreement provides, in part, that Milliman is responsible for preparing and filing for approval with state insurance departments MedAmerica's long-term care rate increase filings. Milliman is also authorized to receive, on MedAmerica's behalf, written and oral communication from each state department of insurance for the purpose of completing the rate increase filing process.

Please accept this letter of authorization for the purpose stated above. Should you have any questions regarding the above, please forward your comments to:

MedAmerica Insurance Company  
165 Court Street  
Rochester, NY 14647

HM Life Insurance  
Company

HM Life Insurance  
Company of New York

HM Casualty  
Insurance Company

Highmark Casualty  
Insurance Company

RBS Re

HM Benefits  
Administrators

412.544.1000  
800.328.5433

www.hmig.com

Mailing Address  
PO Box 535061  
Pittsburgh, PA 15253-5061

Overnight Deliveries  
Fifth Avenue Place  
120 Fifth Avenue  
Pittsburgh, PA 15222-3099

  
Title *SVP Operations*

*4/7/2016*  
Date



## **Contingent Non-Forfeiture Benefit Election Form**

<<FIRST\_NAME>> <<LAST\_NAME>>  
<<STREET\_ADDRESS1>>  
<<STREET\_ADDRESS2>>  
<<CITY>> <<STATE>> <<ZIP>>

<<DATE>>  
Billing Account ID: <<POLICY\_NUMBER>>

I have decided to stop future premium payments and accept the Contingent Non-Forfeiture Benefit.

I understand the following:

- No future premium is due; and
- I will have a reduced lifetime benefit equal to the total amount of premiums paid and applied to my policy **OR** the maximum monthly benefit in effect at the time my policy lapses, whichever is greater; and
- The Contingent Non-Forfeiture Benefit is significantly less than the benefit provided if I chose to keep paying my premium; and
- The Contingent Non-Forfeiture Benefit is only available if I satisfy the requirements for Benefit Eligibility as defined in my policy or certificate; and
- The Contingent Non-Forfeiture Benefit will be payable up to my current Monthly Benefit Amount in effect on the date of this change; and
- All riders, with the exception of Community Only and Facility Only riders, will be terminated; and
- All other terms, conditions, limitations and exclusions in my current coverage apply to the Contingent Non-Forfeiture Benefit.

Signature:

I request my current long term care insurance coverage be reduced to the Contingent Non-Forfeiture Benefit offered by the company. This option becomes effective as of my current paid through date. A summary of Contingent Non-Forfeiture Benefits will be sent to me when this request is processed.

---

**Signature**

---

**Date**

Mailing Instructions: Sign and date this form and return in the enclosed postage-paid envelope.





***Time-Sensitive! Review Options and Make Your Decision***  
**RE: Your Long Term Care Insurance**  
**Notice of Premium Increase — Please Read & Retain for Your Records**

<<FIRST\_NAME>> <<LAST\_NAME>>  
<<STREET\_ADDRESS1>>  
<<STREET\_ADDRESS2>>  
<<CITY>> <<STATE>> <<ZIP>>

<<DATE>>  
Billing Account ID: <<POLICY\_NUMBER>>

Dear <<SALUTATION LAST\_NAME>>:

We are writing to notify you that we have filed a premium increase of <<INC\_AMT>> with the Department of Insurance. This premium change is based on the overall experience of all contracts in your class and has nothing to do with your current age, health status, claims history or any other personal factors. This increase applies to all insureds who have the same policy form as you, regardless of the effective date of coverage. Please be advised that premiums are subject to future rate increases.

The premium rate increase for your long term care insurance coverage will occur on <<NEXT\_BILL\_DATE>>. Your <<MODAL>> premium payment will change from <<CURRENT\_RATE>> to <<FUTURE\_RATE>>.

**We understand this premium increase may affect your ability to afford your current level of benefits. Please review the options regarding your coverage that are outlined below, and make the decision that best meets your needs.**

- **Option #1: Continue your coverage at your current level of benefits.** You may keep your current level of benefits by paying the increased premium when it is due on <<NEXT\_BILL\_DATE>>. If you choose this option, no additional action, other than your premium payment, is required. Please understand that paying the increased premium for coverage through 120 days from the date of the rate increase constitutes your acceptance of the rate increase and voids the offer of the Contingent Non-Forfeiture Benefit outlined in Option #3 below.
- **Option #2: Offset the increased premium by reducing your level of benefits.** You may be able to adjust your benefits to reduce your premium. Please understand that this option is not always available as you may have selected the state-mandated minimum benefits allowable for long term care insurance. Please call Customer Service toll-free at 1-800-240-1675 to discuss your options.
- **Option #3: Elect the reduced Contingent Non-Forfeiture Benefit.**

If you elect the Contingent Non-Forfeiture Benefit option, no further premium is due. This option becomes effective as of your current paid through date. As of the date of this letter, your Contingent Non-Forfeiture Benefit would be <<RESULT\_OF\_CNF\_FORMULA>>.

There are two ways to elect the Contingent Non-Forfeiture Benefit:

- Choose this option today by signing and dating the enclosed Contingent Non-Forfeiture Benefit Election Form and returning it in the enclosed postage-paid envelope; OR
- If you do not pay the increased premium **within 120 days of the due date**, which is <<NEXT\_BILL\_DATE>>, you will be entitled to the Contingent Non-Forfeiture Benefit. We will automatically change your coverage to the Contingent Non-Forfeiture Benefit in lieu of your policy lapsing for non-payment of premium.



**IMPORTANT:** Paying the increased premium for coverage through 120 days from <<NEXT\_BILL\_DATE>>, constitutes your acceptance of the rate increase and voids the Contingent Non-Forfeiture Benefit offer.

**What is the Contingent Non-Forfeiture Benefit?**

The **Contingent Non-Forfeiture Benefit Option** allows you to retain reduced long term care insurance benefits in the event you can no longer afford your premium due to a substantial premium increase. Under this option, the same **Maximum Monthly Benefit** amounts in effect at the time of lapse will be payable, but the **Lifetime Maximum** will be equal to the greater of the items a) or b) below:

- a) The total amount of premiums paid and applied to Your Policy; **OR**
- b) Your **Maximum Monthly Benefit**

The total of all benefits paid under your policy will not exceed the Lifetime Maximum that would have been payable if your policy did not lapse.

Important facts to know about this reduced benefit are:

- No future premium is due.
- The Lifetime Maximum is significantly less than the benefit provided if you choose to continue paying your premium.
- All riders, with the exception of Community Only and Facility Only riders, will be terminated.
- All other terms, conditions, limitations and exclusions in your current coverage apply to the Contingent Non-Forfeiture Benefit.

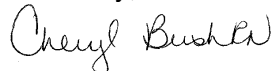
**IMPORTANT NOTE:** If your policy includes a Shared Care Rider, both you and your spouse/domestic partner must continue to maintain identical coverage. You must both select the same option regarding this rate increase.

If you have questions on the above options please call Customer Service toll free at **1-800-240-1675**.

If you are currently on claim and your premium is being waived, the increase will be applied when your premium is no longer being waived. Please be assured that your benefits are not affected and that your claims will continue to be paid.

As always, thank you for your business with the company.

Sincerely,



Cheryl Bush, RN  
Senior Vice President, Long Term Care Operations

## **MedAmerica Claim Administration and Processing Documentation**

As the majority of policies to which this rate increase is applicable are eligible for a contingent benefit upon lapse, the following provides a demonstration that MedAmerica Insurance Company (MedAmerica) has consistently applied appropriate policy administration and claim processing procedures. These procedures are in place to assure that policyholders' long-term care claims are paid according to the provisions of our contracts.

Personal Care Advisors (PCAs) in our Claims Intake area determine whether a claimant qualifies for initial benefit eligibility, and create a plan of care for each eligible claimant. Our Rehabilitation/Case Management team then assigns a PCA to handle all aspects of the insured's contact with the Company, including care planning, ongoing care management, and supervision of claim payment.

While the PCAs are knowledgeable about all of the long term care products administered by the Company, each one specializes in a handful of products to increase claim payment accuracy. For chronically stable patients for whom rehabilitation is unlikely and site of care changes occur infrequently, specialized PCAs are assigned whose primary task is timely adjudication of claims and annual reassessment of benefit eligibility.

All claimants are reassessed at least once per year; claimants in Assisted Living or Home Care status are reassessed more frequently. All claims are reviewed prior to payment. Monthly claims audit procedures are in place. Anti-fraud activities are carried out by the staff of the Special Investigations Unit within our parent company.

MedAmerica management believes that these claims management practices are designed to pay claims correctly and help eliminate the potential for further deterioration of the policy form requiring further premium rate schedule increases.